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NEWSPAPER DENOUNCES 'CRIMINAL' U.S. STAND ON IRAN

AU241510 Tirana ATA in English 0900 GMT 24 Jan 81

["Testimony to the Invincible Strength of a People in Revolution"--ATA headline]

[Text] Tirana, 24 Jan--"The question of hostages with all its developments further exposed the aggressive character of American imperialism, its policy of brutal interference against the sovereign peoples and countries, its bandit-like pressure and threats against them".

"The Iranian people showed what a people can do when they are determined to defend their rights, that there is no pressure and blackmail that can break the strength of a people in revolution".

This is how the newspaper ZERI I POPULLIT writes today in an editorial commenting the release of 52 American hostages, arrested in Iran on the 4th November 1979. These diplomats, the newspaper ZERI I POPULLIT writes, have acted contrary to the international conventions and laws engaging themselves in espionage activity and perpetrating acts of diversion in Iran. Their arrest by the Iranian people was a just and legal act. The documents seized prove that the U.S. Embassy in Teheran was the real government which was running all the affairs in Iran.

For 25 years in succession, the newspaper continues, about 10 thousand U.S. "advisers" created and propped up the army of the shah in Iran. This instrument of oppression was the most powerful and armed in the Middle and Near East in service of the medieval obscurantist power of the sanguinary dynasty of the Pahlavis and the American interests in the Middle East region. In the oil basin of this region, the United States of America organized, trained and financed the terrorist SAVAK organisation, whose activity in that country surpassed in many directions also the crimes perpetrated by the Hitlerite Gestapo. About 60 thousand people have been killed by the black hand of SAVAK. The Iranian patriots, the progressive and revolutionary elements, who opposed the regime of the hangman in power, who fought that the great assets of the Iranian people should not go to New York banks, who defended the sacred national interests, dignity, sovereignty of the sold-out country, were imprisoned.

U.S. imperialism and its obedient and devoted despotic regime of the shah transformed prosperous Iran into a well for the people and into a paradise for themselves. But, the Iranian people, the newspaper continues, overthrew the tyrannical dynasty of Pahlavis and dealt lethal blows to the positions of U.S. imperialism and the other imperialist powers in that country, smashed the U.S. espionage center in Teheran, the diabolic activity of the CIA agents who continued to hatch up plots through to the end against the Iranian revolution.

The chieftains of U.S. imperialism have described the victory of the Iranian revolution as a "cataclysm" which hit America. Carter and Reagan have incited and are instigating the anti-Iranian hysteria in the United States speculating especially with the problem of hostages. They are describing and presenting the Iranian people as a "savage", "barbarous" "fanatic" people without logic. U.S. imperialism raised an economic blockade against Iran, froze the funds and wealth of the Iranian people, instigated its allies to isolate this people.

It also undertook the overt fascist-type aggression which failed with shame in the Tabaz desert. U.S. imperialism and the Soviet Union instigated Iraq-Iran conflict against the Iranian people and the Arab peoples, but the enemies failed in all this savage activity against that country. America exerted all kinds of pressures: military, economic, diplomatic, etc. But the Iranian people did not retreat. The Iranian challenge became a gangrene of anxiety for Washington. The Iranian people, ZERI I POPULLIT stresses, showed what a people can do when they are determined to defend their rights, that there is no pressure and blackmail that can break the strength of a people in revolution. The fact is that as the communique published by the Iranian Government on occasion of the release of hostages says, this action was undertaken only after the United States was compelled to accept the conditions imposed by the Iranian Majlis, (parliament) such as the unfreezing of Iranian assets deposited in the United States the putting of all wealth and assets belonging to Iran at the disposal of the government of Iran and the acceptance of the fact that the wealth of the ex-shah and his relatives belong to the people of Iran.

The chieftains of U.S. imperialism made use of the question of hostages for the internal acute problems in the economic, financial and social fields, ets. They also made use of it to intensify their aggressive policy in the Persian Gulf area to compel the West European allies, Japan, ets. to solidarize with their hostile policy towards Iran and to make them raise their blockade against that country.

The Soviet social-imperialists too, ZERI I POPULLIT points out, exploited the tension stirred up by U.S. imperialism around Iran to increase their buildup in this region, to perpetrate the aggression against Afghanistan and to undertake other acts in compliance with their imperialist and hegemonic policy.

The question of hostages with all its developments further exposed the aggressive character of American imperialism, its policy of brutal interference against the sovereign peoples and countries, its bandit-like pressure and threats against them. American imperialism cannot reconcile itself with the "lost paradise", with the shame which covered it, with the Iranian lesson. It is striving to brainwash the public opinion in its own interest and to arouse the hatred against the Iranian people and their revolution. It is again threatening with new adventures. But the Iranian people, the newspaper ZERI I POPULLIT writes in conclusion, is a brave people, ready to give still more tragic lessons to American imperialism and all the other enemies, authors of criminal adventures. They are an invincible people.

BRIEFS

CULTURAL AGREEMENT WITH EGYPT--Tirana, 13 Jan (ATA)--The plan on cultural exchanges between the People's Socialist Republic of Albania and the Arab Republic of Egypt was signed at the Albanian Committee for Cultural and Friendly Relations with Foreign Countries, yesterday. The plan was signed for the Albanian side by the Chairman of the Albanian Committee for Cultural and Friendly Relations with Foreign Countries, Javer Malo, and for the Egyptian side by the head of the Egyptian delegation, the Vice-Director of Cultural Department at the Ministry of Foreign Affairs of Egypt, (Husayn Kamal 'Atiyah al-Nazir). [Tirana ATA in English 0920 GMT 13 Jan 81 AU]

TRUD VIEWS REAGAN'S FUTURE FOREIGN POLICY

AU261711 Sofia TRUD in Bulgarian 22 Jan 81 p 4

[Yosif Davidov commentary: "The Problems of the New President"]

[Text] When we speak about statesmen, a well-known Bulgarian proverb should be rephrased. It should read: "Words count at the beginning and deeds at the end." The American people are now judging their new President according to his words. They no longer discuss his statements made during the election campaign, but those which he pronounced in crossing the threshold to the White House. These words will be either confirmed or denied within the forthcoming 4 years by the deeds of the administration headed by Ronald Reagan.

However, in his inauguration address, Reagan himself recalled the continuity of presidential power, which is quite natural--since as we know, the present and former U.S. leaders as well as all their predecessors have practically expressed the same class interests.

The inauguration address produced another impression--which was the main reason for the victory of the Republicans--namely, a serious priority to domestic policy and the economy, as well as social problems of the United States. No matter how unusual it may sound against the background of the tense and explosive international situation, foreign policy problems hardly represented one-eighth of the President's inauguration speech.

This is quite easy to explain: America today is suffering "from the longest and one of the worst sustained inflations in its national history." In making this statement, the President could not help mentioning the serious crisis in his country's economy. He could not omit the tremendous unemployment rate, the unrestrained increase in prices and the frightful burden of taxes, which mainly affects the budgets of the working people in America. The President promised to "put America back to work," and to build a healthy, vigorous, growing economy," as well as to start an "era of national renewal."

We ask ourselves whether Reagan will succeed in this, whether along the path of a strong increase of new budgetary expenditures for rearmament, that is to say for the production of goods which do not stimulate the economy, he will attain this renewal? We ask ourselves whether the system of the "free market" (that is now in action in the United States) which brought some of the basic industrial branches to the brink of disaster and which the new President trusts, will bring employment to millions of laborers? We could ask many more questions of this kind. These are questions which seriously affect the promises and provoke doubts in the man on the street in New York, Chicago, and Washington.

Perhaps this is why there were so many appeals to patriotism in Reagan's inaugural address. Reagan stressed in particular the "heroism" of the common American citizen; he referred with pathos to the moments of trial for the nation. The fact that the United States is now living through a period of serious trial is something which no one has any doubts about.

There is a way out of this situation. The history of the country shows that in periods when a realistic administration, conducting a policy of cooperation with other states, is at the head of the country--an administration conducting a policy of collaboration with the Soviet Union on the most basic interntional issues--when such an administration is leading the country, at least part of the most crucial problems have been resolved. This is precisely why, in his telegram to Ronald Reagan, Leonid Brezhnev proposed devoting active efforts to consolidating the international atmosphere and stabilizing peace.

It is now difficult to foresee what the new President's actions on the international scene will be. In his words, along with the fact that "peace is the highest aspiration of the American people," we also heard accents of relying on strength and threats. Of course, this is not "a new beginning"--Carter made similar statements when he assumed his post and later on, by his deeds, he proved that he preferred the second method, and left a foreign political inheritance which is burdened by heavy complications.

Thus, we must wait and see how the President's "personal style" will manifest itself, whether he will prefer realism to confrontation and adventurism. This last choice, as a matter of fact, did not bring anything positive to the United States itself....

REPORTAGE ON VISIT BY ROMANIA'S CEAUSESCU

Joint Announcement

AU261347 Sofia RABOTNICHESKO DELO in Bulgarian 22 Jan 81 pp 1-6

["Announcement" on the friendly visit of Nicolae Ceausescu, general secretary of the RCP Central Committee and president of the Socialist Republic of Romania, to the People's Republic of Bulgaria on 21 January 1981]

[Text] At the invitation of Todor Zhivkov, BCP Central Committee first secretary and chairman of the State Council, Nicolae Ceausescu, general secretary of the RCP and president of the Socialist Republic of Romania, paid a visit to Bulgaria on 21 January 1981.

Comrade Nicolae Ceausescu and those accompanying him were welcomed by the working people in Ruse Okrug with great warmth and respect, by which they expressed traditional Bulgarian-Romanian friendship and their satisfaction at the constantly expanding, comprehensive cooperation between the two fraternal neighbor countries.

Comrade Todor Zhivkov and Comrade Ceausescu held talks, which proceeded in a cordial and friendly atmosphere. The following personalities participated in the talks:

On the Bulgarian side:

Petur Mladenov, BCP Central Committee Politburo member and minister of foreign affairs; Andrey Lukanov, candidate member of the BCP Central Committee Politburo, deputy chairman of the Council of Ministers and chairman of the Bulgarian side of the Bulgaro-Romanian Joint Committee for Economic and Scientific-Technical Cooperation; Niko Yakhiel, member of the BCP Central Committee and assistant to the first secretary of the BCP Central Committee; Petur Danailov, member of the BCP Central Committee and Bulgarian ambassador to Romania.

On the Romanian side the following officials participated in the talks:

Leonte Rautu, member of the RCP Central Committee Political Executive Committee and chairman of the Romanian side of the Joint Bulgaro-Romanian Committee for Economic and Scientific-Technical Cooperation; Stefan Andrei, candidate member of the RCP Central Committee Political Executive Committee and foreign affairs minister; Stefan Birlea, member of the RCP Central Committee and director of the chancery of the RCP general secretary and president of the republic; Constantin Mitea, member of the RCP Central Committee, adviser to the RGP general secretary and president of the republic; and Petre Duminica, ambassador of the Socialist Republic of Romania to the People's Republic of Bulgaria.

During the talks Comrades Todor Zhivkov and Nicolae Ceausescu briefed each other on the basic tasks which the People's Republic of Bulgaria and the Socialist Republic of Romania are facing at the present stage of building socialism in both countries. The first leaders of the two countries noted that Bulgaro-Romanian relations of comprehensive cooperation are developing and being intensified on the basis of Marxist-Leninist principles, on the basis of fully equal rights, on the basis of independence and national sovereignty, and in the spirit of the friendship, cooperation and mutual assistance treaty signed in 1970. Particular attention was devoted during the talks to implementing the decisions adopted at the highest level to further expand bilateral relations. It was pointed out that the tasks assigned by the two countries' leaders during the official visit of the party and state delegation of the People's Republic of Bulgaria to the Socialist Republic of Romania, as well as during the two friendly meetings held in Voden and Timis in 1980, are being successfully implemented.

The two party and state leaders reached new agreements which will contribute to further intensifying economic and scientific-technical cooperation between the two countries.

Having highly assessed the results achieved during their talks, Comrades Todor Zhivkov and Nicolae Ceausescu expressed their mutual resolve to further develop the comprehensive relations between the RCP and the BCP and between the People's Republic of Bulgaria and the Socialist Republic of Romania.

During the meeting Comrades Todor Zhivkov and Nicolae Ceausescu also discussed certain issues concerning the international situation and the international communist and workers movement.

Expressing their concern about the persistent tension in the world, the two party and state leaders pointed out the resolve of the People's Republic of Bulgaria and the Socialist Republic of Romania to continue to struggle unrelentingly, together with the other fraternal socialist countries and together with all progressive anti-imperialist and peace-loving forces to intensify the process of detente and adopt effective measures aimed at disarmament, at safeguarding peace and security in Europe and throughout the world and for vast and unhindered cooperation among peoples. The necessity was stressed to do everything possible to settle the problems existing among countries by negotiations, by respecting the independence of each people and the interests of peace and international cooperation. In this connection the great importance of the concrete proposals laid down in the document adopted by the Warsaw Pact Political Consultative Committee of Warsaw Pact member-countries on 15 May 1980 was pointed out.

It was stressed during the talks that the Madrid meeting of representatives of the CSCE signatory countries must proceed in a constructive spirit and end with success and that a decision should be adopted at the conference on military detente and disarmament in Europe which should produce broad economic, scientific-technical and cultural cooperation among all European countries and determine future implementation of a new meeting devoted to security and cooperation on the continent. All this should represent an essential contribution to consolidating peace and security on our continent and throughout the world.

Comrade Todor Zhivkov and Comrade Nicolae Ceausescu stressed the efforts of the People's Republic of Bulgaria and of the Socialist Republic of Romania to further develop relations of friendship, cooperation, good neighborliness and understanding among the Balkan countries and peoples.

The traditional meeting between the two party and state leaders proceeded in a comradely atmosphere and in a spirit of mutual understanding. The agreements reached will give new impetus to the relations of friendship and comprehensive cooperation between the RCP and the BCP and between the People's Republic of Bulgaria and the Socialist Republic of Romania, which is in the interests of both the Bulgarian and Romanian peoples, in the interest of the socialist community countries and in the interest of the cause of socialism, progress and peace throughout the world.

Ruse, 21 January 1981

Zhivkov Luncheon Toast

AU261444 Sofia RABOTNICHESKO DELO in Bulgarian 22 Jan 81 p 6

[Report on toast by Todor Zhivkov, BCP Central Committee first secretary and State Council chairman, at a luncheon on 21 January in Ruse in honor of Nicolae Ceausescu, RCP general secretary and president of the Socialist Republic of Romania]

[Text] In his toast Comrade Todor Zhivkov once more welcomed Comrade Nicolae Ceausescu and the Romanian comrades accompanying him. He stressed that the friendly meetings with Comrade Nicolae Ceausescu, which have already become a tradition, are exceptionally useful in developing relations between the BCP and the RCP and between the two neighborly socialist countries.

The present meeting, Comrade Zhivkov pointed out, is taking place at the beginning of 1981. There is something symbolic in this date. The meeting not only is proceeding in full accordance with the spirit of friendship and mutual assistance between socialist Bulgaria and socialist Romania, but is also of great importance in developing our mutual relations this year and throughout the entire 5-year plan period.

Comrade Todor Zhivkov further noted that the Bulgarian communists and the Bulgarian people rejoice at the successes which the Romanian communists and the Romanian people are achieving in implementing the instructions of their 12th party congress. With all his heart, Comrade Zhivkov wished the Romanian communists and people new successes in building a developed socialist society. We are preparing to hold our 12th congress, which will sum up our successes achieved so far and outline new paths of our future development, Comrade Zhivkov stressed.

In evaluating the results of the present meeting, our first party and state leader pointed out that like all previous meetings this meeting was fruitful and will give new impetus to developing friendship and cooperation between the two parties and peoples.

Very naturally, Comrade Zhivkov pointed out, we also discussed certain current issues of the international communist and workers movement and of world development along with issues of our bilateral cooperation.

Comrade Todor Zhivkov once more expressed his satisfaction and the satisfaction of those accompanying him at the just concluded talks and negotiations.

He proposed a toast to our dear guest and friend, the Bulgarian people's friend--Comrade Nicolae Ceausescu--to the health of Comrade Elena Ceausescu, and to the party and state leadership of fraternal socialist Romania, to the friendly and neighborly Romanian people, who are successfully building socialism in their beautiful homeland, to the further even more successful and even more fruitful, fraternal cooperation between the two parties, countries and peoples and to peace throughout the world.

Ceausescu Toast

AU261820 Bucharest SCINTEIA in Romanian 22 Jan 81 pp 1, 3

[Toast by Nicolae Ceausescu, RCP general secretary and president of the Socialist Republic of Romania at 21 January luncheon given for him in Ruse by Todor Zhivkov, BCP Central Committee first secretary and State Council chairman]

[Text] Dear Comrade Zhivkov, Dear Bulgarian comrades and friends, I want to express my satisfaction with the ascending course of relations between the RCP and the BCP, between our peoples and countries.

Indeed, Comrade Zhivkov, our meetings have become a tradition. It may be said that each meeting--whether official or unofficial--contributes to developing relations between our parties and peoples.

At this meeting we discussed both bilateral and international issues. We arrived at common conclusions on expanding our cooperation and collaboration to new areas, in economy, science and culture, and in the relations between our parties and countries. The meeting will no doubt give new impetus to our cooperation in all areas.

As was only natural, we also discussed international matters, including the need to intensify efforts to achieve security in Europe, cooperation in the Balkans, disarmament, a new world economic order, and a policy of detente, national independence and peace.

We may state that our countries, together with the other socialist states and other progressive and anti-imperialist forces, are actively cooperating with a view to solving complex problems through negotiations, and promoting a policy of detente and peace.

Indeed, the Romanian people are currently concentrating on attaining the targets of the 12th party congress. You, dear Bulgarian comrades and friends, are preparing for the 12th congress.

We rejoice in the results obtained by the friendly Bulgarian people in fulfilling the Seventh 5-Year Plan.

We wish you full success in preparing for the congress and at the congress, which will undoubtedly promote the socialist development of friendly Bulgaria.

I want to express most sincere thanks for the hospitality extended to us this time, too, in Bulgaria, and to thank the party organization and inhabitants of Ruse for their reception.

Please raise your glasses to the health of my friend, the Romanian people's friend, Comrade Zhivkov!

--To new successes for the communists and friendly Bulgarian people in developing socialism, their well-being and happiness!

--To an active and increasingly close cooperation between our parties and peoples!

--To peace and cooperation in the Balkans, in Europe and throughout the world!

To the health of all of you! (applause)

AUSTRIAN FOREIGN MINISTER PAHR ARRIVES FOR VISIT

AU261502 Sofia Domestic Service in Bulgarian 1430 GMT 26 Jan 81

[Text] At the invitation of Petur Mladenov, minister of foreign affairs, Willibald Pahr, federal minister of foreign affairs of the Republic of Austria, arrived in Bulgaria on an official visit on 26 January.

At Sofia airport he was greeted by Petur Mladenov, his Bulgarian counterpart, deputy ministers and other officials.

Talks Begin

AU270817 Sofia BTA in English 1850 GMT 26 Jan 81

[Text] Sofia, 26 Jan (BTA)--The official talks between the foreign ministers of Bulgaria and Austria, Mr Petur Mladenov and Mr Willibald Pahr, started here. At today's round of the talks some topical issues of the international situation have been discussed.

The two ministers expressed concern over the growing tension in international relations. Noting the positive results in the process of detente and peaceful coexistence achieved in the seventies, they underlined the readiness of Bulgaria and Austria to continue the peaceful process.

Mr Petur Mladenov and Mr Willibald Pahr underlined the necessity of concrete measures for disarmament and for curbing the arms race.

Special attention was paid to the Madrid meeting. The ministers have been unanimous that it should end with constructive results and should take a decision on convening an European conference on disarmament.

They discussed the situation in other parts of the world focusing their attention in particular on the Middle and the Near East, Latin America and South Africa.

Mladenov Gives Dinner

AU262110 Sofia Domestic Service in Bulgarian 2000 GMT 26 Jan 81

[Text] On 26 January at the Lozenets Residence, Petur Mladenov, minister of foreign affairs, gave an official dinner in honor of Willibald Pahr, federal minister of foreign affairs of the Republic of Austria. The dinner was attended by Comrade Mildo Balev; Georgi Dzhagarov, deputy chairman of the State Council; members of the State Counsil and Council of Ministers; deputy ministers; the officials accompanying the two guests; and Stoyan Georgiev and Berta Bruan, the two countries' ambassadors. The two ministers toasted each other at the dinner, which took place in a friendly atmosphere.

Meeting With Zhivkov

AU271020 Sofia Domestic Service in Bulgarian 1000 GMT 27 Jan 81

[Text] On 27 January State Council Chairman Todor Zhivkov received Willibald Pahr, federal minister of foreign affairs of the Republic of Austria, who is paying Bulgaria an official visit.

The meeting was attended by Petur Mladenov, minister of foreign affairs.

BCP CABLES ANNIVERSARY GREETINGS TO PCI

AU231400 Sofia RABOTNICHESKO DELO in Bulgarian 21 Jan 81 p 2

[Text] The BCP Central Committee cabled greetings to the Central Committee of the Italian Communist Party [PCI] on that party's 60th anniversary.

Dear comrades, the BCP Central Committee sends to all Italian communists the cordial fraternal greetings of the Bulgarian communists on the occasion of the 60th anniversary of the PCI's founding.

The birth of your party marked a new and decisive stage in the development of the workers' movement in Italy under the direct impact of the Great October Socialist Revolution. In the past 60 years the Italian communists have waged difficult and cruel battles with the class enemy. They fought actively for the establishment of the united front of the working class and the other working people against fascism. Inspired by the noble goals of proletarian internationalism, thousands fought in the international brigades in Spain against the Spanish Fascists and Italo-German Fascist interventionists. In the years of the World War II the PCI inspired and organized a strong guerrilla movement in Italy. As the party matured, it molded such prominent figures of the Italian and international communist movement as Antonio Gramsci, Palmiro Togliatti and Luigi Longo.

The PCI is now the biggest communist party in a capitalist country, a real and important political force without which the solving of the national problems is impossible.

There are traditional ties of fraternal friendship and cooperation between the BCP and the PCI. The Bulgarian communists are confident that in the name of the common communist ideals this fraternal friendship and cooperation will develop further and will deepen on the basis of the great principles of Marxism-Leninism.

We send to you, dear Italian comrades, wishes for further successes in the struggle for peace, democracy and socialism.

DAILIES, RADIO REPORT, CRITICIZE POLISH EVENTS

Walesa Trip to Rome

AU261220 Prague PRACE in Czech 21 Jan 81 p 2

[Vladimir Potocky commentary: "Try Hard..."]

[Text] At a time when it has been determined that this year's Polish exports to the West will hardly suffice to cover even the payments for the credits that have been assumed so far, the Solidarity leadership has come up with the untenable demand to instantaneously introduce a 5-day workweek. At a time when the PZPR and state leadership call for honest and conscientious work as the only way to overcome the present difficulties, the Solidarity leadership threatens new strikes. And last Friday one of them actually took place--in the very heart of the country; for 4 hours Warsaw citizens--young and old, healthy or sick, mothers with carriages--had to wade through melted snow to get to work, to shops, to the doctors, to nurseries, anywhere. Mass public transportation in the city was halted.

In those days full of agitation and nervousness, Lech Walesa, the leader of the Gdansk Solidarity, was in the "Eternal City" for a visit. Because, according to agency reports, a large part of his program--apart from an audience granted to him by Pope John Paul II--was made up of prayers in the cathedrals of Rome, one can assume that he prayed in St Peter's basilica, at St Bridget's, St Francis of Assisi's, St Stanislaus' (who is, incidentally, Poland's patron saint) and in other cathedrals for the well-being of his country. While doing so he was surely aware of the circumstances of the aforementioned credits and rates of interest, and thought of the Warsaw people, wet to their skins, and of the fact that owing to difficulties on the domestic market, black marketeering has become so rampant that on the black market a quarter of a kilo of butter now costs Z300-340 and a single egg Z13. Being a true patriot (so he has stressed repeatedly in the course of recent months), and the leader of an organization interested in the rights of man and society (so he assured the pope during the audience), he was surely thinking of those things. The rub is, however, that all that is part of political tasks and problems and because Walesa is not interested in politics--as he himself says--the question remains in fact, what was he praying for in the eternal city?

And let us thus say quite honestly, with all due respect for the feelings of believers: Lech Walesa's prayers will not ease even by an iota the heavy burden of difficulties the Polish people are going through. They will not reduce by even a fraction of a percent the burdensome credits and rates of interest. They will not deliver to the market additional butter, nor anything else. A wise person once said: "Try hard and God will bless you." What is Walesa trying hard to achieve? And what is Solidarity trying hard to achieve? The Western press judges that the leader of Solidarity went to the Vatican to receive blessings and to strengthen his "reputation" as the right man at the right place. But because neither he nor his companions in Solidarity has so far shown any constructive efforts, but the very opposite is true. One can only state with sadness that even the proverb can be turned upside down. Indeed, one cannot think of Walesa's "trying hard" and his tour of prayers in any other way.

Counterrevolutionary Forces

AU271245 Prague TRIBUNA No 3 in Czech 21 Jan 81 p 2

["VH"-signed article: "Birds of a Feather Flock Together"]

[Text] The developments in the Polish People's Republic [PPR] leave nobody in doubt that both the domestic antisocialist forces and the anticommunist centers of imperialism are trying to make use of the events to disrupt, and later overthrow, the socialist social system in that fraternal country.

Almost every day brings further and further evidence of this. Side by side with the bourgeois communications media and a number of politicians in the capitalist world--who, from the very beginning of so-called Polish events, did not conceal their sympathies with the people in the PPR striving for a political reversal--the so-called Polish Government in exile with headquarters in London also wanted to have a say. its chairman, Count Edward Raczynski, stressed--according to APN -- that "his government" is"...in constant contact with friends in Poland. We are fully informed, and even though we need not conceal anything, we nevertheless must be very careful in exchanging messages and in our regular visits." It is not difficult to guess who this "government," whose anticommunist orientation is generally known, probably supports and with whom it maintains regular contacts in the PPR: It is the people and groups who, like Mr Count, hate socialism and the people's power in fraternal Poland.

And these domestic counterrevolutionary forces are not idle. They did learn their lesson from developments during the crisis-ridden years in Czechoslovakia, so that they for the most part do not act openly against socialism. But their antisocialist hatred is often stronger than the tactical instructions issued by the centers directing them. Thus, starting with the beginning of December, counterrevolutionary slogans such as "down with communism," or "we do not want kolkhozes," or "we demand a change of the state emblem" and so forth--slogans expressing the true aims of the people organizing and directing the so-called workers protest in the background--began to appear on the walls of public buildings in Wroclaw. However, to many people it seems slightly inconvenient and perhaps even primitive to write slogans on walls. That is why they prefer publishing illegal periodicals to present their opinions. One of the periodicals is called NOVE HEBRIDY [NEW HEBRIDES] and is published by Mr Herbst, professor at the Wroclaw University. In the periodical he attacks Marxist-Leninist philosophy, emphasizing and glorifing the presocialist phases in the development of the Polish state. Likewise, it is not uninteresting that antisocialist publications are being sold in various places in the PPR, among them for instance the memoirs of J. Smrkovsky. Well, an old proverb does say: "Birds of a feather flock together."

Thus some people paint slogans, others publish illegal periodicals, and still others organize "independent" trade unions and constantly proclaim new strikes and unrealistic demands through them. The common denominator of all these actions is hatred for socialism and the endeavor to intensify tension in society, to discredit the socialist social system and gradually to liquidate it.

'Undemocratic Methods'

AU261404 Bratislava PRAVDA in Slovak 24 Jan 81 p 7

[Jan Lipavsky Warsaw dispatch: "License Stage-Managed by Solidarity; Revelations by the Daily SLOVO LUDU and Polish Television"]

[Text] The issue of work-free Saturdays in Poland is a welcome opportunity for some Solidarity functionaries to cause new tension. But they are also using other methods--scandalizing honest and upright advocates of socialism.

Warsaw television and the daily SLOVO LUDU, published in Radom in eastern Poland, have lately reported on such methods employed by the Radom branch of Solidarity. Its leaders have launched an attack on Janusz Prokopiak, voivod and first secretary of the PZPR Voivodship Committee in Radom, using various means to disseminate their coarse defamations--loudspeakers, leaflets, printed matter. The leaders of Solidarity challenged the voivod to come to the production hall of the Radoskor enterprise where they wanted to "sit on judgment" over him because, among other reasons, he demanded an unconditional removal of their loudspeakers by means of which they had been spreading slander about the organs of people's power for many days.

The journalist Jerzy Glebocki found the courage to write, on 19 January in SLOVO LUDU, that Solidarity is using undemocratic methods, causing an atmosphere of coercion. He mentioned that followers of Solidarity have barred General Walter, director of the metal works, from entering the premises of the enterprise radio when he wanted to call on the collective to come to work on Saturday, 10 January.

As we were able to convince ourselves personally at our recent meetings with employees of Radom enterprises, many workers there hold the view that in the present situation Poland cannot afford to abruptly declare all Saturdays free and that the government proposal for 2 free and 2 working Saturdays a month is thus realistic. However, through the fault of Solidarity functionaries, Radom and other cities in Poland live in constant tension. People are being intimidated, afraid to speak openly about the license of some Solidarity supporters.

They know of visits by emissaries of the KOR antisocialist organization but do not want to speak about it. And when they, nevertheless, begin to talk they look over their shoulder out of anxiety that someone might be listening to them. A Radom citizen told us surreptitiously that "those from the coast" (he had the leaders of the Gdansk Solidarity in mind) brainwashed the school youngsters to such an extent that they too wanted to set up their Solidarity at school. But he immediately asked us not to give his name because he does not want to "get into trouble."

One of the normal practices of some Solidarity functionaries is to threaten workers that if they come to work on Saturday, 24 January (which is a working day), they will not be admitted into the factory. That was the case, for instance, in the regional transportation and road machinery plant in Mazowszany.

On Tuesday, 20 January all that was discussed by the Radom Voivodship Party Committee. It expressed full trust in Janusz Prokopiak, first secretary of the PZPR Voivodship organization and the entire leadership of the voivodship organization which did not yield to Solidarity's gross pressure. On the contrary, the hostile attacks on many upright functionaries have cemented and united the whole party body even more.

Strike Effects

LD261740 Prague Domestic Service in Czech and Slovak 1700 GMT 26 Jan 81

[Text] Special correspondent Pavel Kopecky sent us this telephone dispatch from Warsaw a little while ago:

[Begin recording] Almost everyone in Warsaw today is talking about the effect that the warning strikes organized by Solidarity have had on the political atmosphere and on the country's economic life.

Today's newspapers carry concrete facts, but there to some extent differ from the views of certain foreign observers and, above all, from the leaders of the so-called Independent Trade Union Solidarity. According to a government statement, 60 percent of all Polish working people came to work on Saturday. The Polish national economy has suffered indescribable losses which, according to the government's press spokesman, will have a negative impact primarily on market supplies and will exacerbate the already difficult economic situation.

Certain Solidarity leaders have said that their actions have been successful. If they wanted to increase tension in the country and further worsen the social and economic crisis, one can agree with them. But we must add that the escalation of demands and pressure on the government, as well as on the working people, to suspend work, leads only to chaos. This above all serves the enemies of socialist Poland. [end recording]

'Evil Intentions'

LD262034 Bratislava Domestic Service in Slovak 1730 GMT 26 Jan 81

[Station commentary]

[Text] Last Saturday we again witnessed attempts in Poland to boycott the day which the government declared a work day. These attempts, provoked by the so-called Independent Trade Unions Solidarity testify to a fresh escalation of political tension in the country. Here is our editorial commentary about the damaging effect of such developments for Poland:

To present strikes as something that can heal everything--and this even in a socialist society--is irresponsible and demagogical. In Poland's case, these strikes have already brought the economy into a state of coronary collapse when the organism is keeping in only thanks to the immense devotion of those who have not succumbed to the demagagy of the new trade union organization, and thanks to the help of the socialist countries.

As Stanislaw Gucwa, speaker of the Sejm, said a few days ago, the losses caused by the irresponsible actions of Solidarity are immense. There are shortages of 650,000 tons of rolled materials, 2.5 million tons of concrete, 13 million tons of coal. To demand the immediate reduction of working hours, the immediate introduction of free Saturdays and, moreover, higher wages, in such a situation is so evidently unrealistic that it borders on evil intentions.

Such demands cannot be satisfied, even with the best of intentions, because there is simply no source from which to draw. If working hours are to be cut then labor productivity must be higher; if supplies are to be improved and living standards are to rise the social product must go up, not down. These connections are far too evident and unchangeable for the leaders of Solidarity and especially their advisers, to pretend ignorance. And if in spite of this--and what is more, in contradiction with their own assurances in negotiations with the government--they are disorganizing the economy and social life of the country by their actions, then this rather resembles 1948 [as heard] when the antisocialist wreckers in Czechoslovakia were guided by the slogan: The worse for the republic, the better for us.

The leadership of Solidarity confirms this by its demagogical use of every opportunity--right now on the question of free Saturdays--in order to disrupt the economy, provoking anarchic emotions, paralyzing transport, jeopardizing supplies for the population and spreading insecurity, tension and discontent.

The Solidarity organization is also attempting systematically to exacerbate the internal situation by arrogating rights in various places which such "clubs" can never claim; in other words, the right to control state and elected bodies as well as the right to decide.

There are an increasing number of instances when honest citizens, party officials, are being vilified and personally insulted. In brief, the Solidarity leaders are taking advantage of the patience and responsible reason displayed by the Polish Government and the PZPR in order to transform socialist democracy into pressurizing arbitrariness and disorganizing demagogy.

And the fact that the entire West, starting with the West German revanchists and down to the Chilean fascists, in unison with the Beijing leaders, not only keep their fingers crossed for them but give them active support, especially financial support, completes the picture as to whom and what such activity is designed to serve.

The question is whether the leaders of Solidarity and their advisers at home and abroad realize how far they can go and where anarchist irresponsibility borders on an overt attack on the state system, on socialism in Poland.

INTERNATIONAL TRADE UNION SESSION ENDS IN PRAGUE

AU261630 Prague RUDE PRAVO in Czech 23 Jan 81 p 2

[Report in column "International Relations"]

[Text] A session of the Administrative Committee of the International Trade Union Association of Employees in the Construction, Timber-Processing and Construction Materials Industries ended in Prague on Thursday. The session was attended by trade union representatives from 24 countries.

BARCAK, TRADE DELEGATION RETURN FROM ANGOLA

LD262036 Prague CTK in English 1528 GMT 26 Jan 81

[Text] Prague, 26 Jan (CTK)--A Czechoslovak delegation, headed by Foreign Trade Minister Andrej Barcak, returned home Monday from the second session of the Intergovernmental Czechoslovak-Angolan Commission for Economic and Scientific Technical Cooperation.

The commission agreed on substantial increases of Czechoslovak exports to Angola and imports of Angolan raw materials and foodstuffs to Czechoslovakia in 1981. Deliveries of Czechoslovak equipment for industrial plants, such as a tannery, footwear and textile plants, a brewery, a tractor assembly plant and others are provided for in the sphere of economic and industrial cooperation. Possibilities of cooperation were agreed in power engineering, and establishment of Czechoslovak-Angolan industrial enterprises is envisioned.

Under schemes of scientific technical cooperation Czechoslovakia gives assistance to the African country in putting into operation and in management of industrial plants. Angola particularly appreciates the cooperation in the Acto Catumbela paper works.

The two delegations also discussed an intergovernmental draft credit accord and initialed a framework agreement on economic and scientific technical cooperation.

A protocol from the commission's session was signed by Andrej Barcak and Angolan Minister of Industry Alberto Bento Ribeiro.

VACIK MEETS WITH AFGHAN OFFICIAL ON SOLIDARITY

AU261448 Prague RUDE PRAVO in Czech 23 Jan 81 p 2

[Report in "International Relations" column]

[Text] In Prague on Thursday, Miloslav Vacik, deputy chairman of the Czech Socialist Republic's National Front Central Committee and chairman of the Czechoslovak Committee for Solidarity with Afro-Asian Nations, and (Rabbani Burna Afghan), charge d'affairs of the Democratic Republic of Afghanistan in the CSSR, exchanged views in a friendly talk on mutual cooperation between the Czechoslovak Committee for Solidarity and the Afghan Committee for Peace and Solidarity.

SUPKA BEGINS COOPERATION TALKS WITH MAR DEPUTY

LD262312 Prague CTK in English 1956 GMT 26 Jan 81

[Text] Prague, 26 Jan (CETEKA)--Czechoslovak Minister for Technical Development and Investments Ladislav Supka opened talks here on Monday with a Mongolian delegation, led by First Deputy Premier and chairman of the state committee for science and technology Damdinjabyn Maydar. They discussed questions concerning long-term scientific-technological cooperation between Czechoslovakia and Mongolia.

TRADE EXPERT ON NEED TO INCREASE EXPORTS TO USSR

AU232100 [Editorial Report] Prague RUDE PRAVO in Czech on 22 January on pages 1 and 7 carries a 2,200 word interview, conducted by RUDE PRAVO and PRAVDA Moscow correspondents Jaroslav Mazal and Rudolf Nittmann with Dr Emil Misovsky, Czechoslovakia's trade representative in Moscow and embassy counselor and minister plenipotentiary.

Asked about the balance of CSSR-USSR trade in the past 5-year period Misovsky stated: "We have completed the last year of the Sixth 5-Year Plan. In 1980 we achieved a turnover of R7.28 billion. We fulfilled planned tasks and pledges by 103 percent and trade turnover increased by R790 million compared with 1979. Nevertheless we cannot be satisfied with everything. Even though we exceeded the overall export [plan] (105 percent), the plan for commodity exports was fulfilled by only 100.6 percent and the plan for raw material imports by only 98.3 percent."

Misovsky notes that according to preliminary date the obligations resulting from the long-term trade agreement were considerably exceeded. "Instead of the anticipated R24-25 billion we achieved in reality some R30 billion."

Touching on the problem of raw material deliveries Misovsky says that without them the Czechoslovak economy could not develop along socialist lines and notes that the prices demanded by the USSR are substantially lower than those on capitalist markets.

Referring to oil, Misovsky states that "imports from the USSR, covering almost all of Czechoslovakia's needs, totalled more than 88 million tons in the 1976-80 period and represent an increase of more than 134 percent compared with 1971-75. Now we are importing more than 20 million tons of oil and oil products from the USSR at prices much below the world market price, he says.

"The situation is similar with respect to natural gas, bituminous coal, electric power, pig iron, rolled materials, iron and manganese ores, ferrous alloys, nonferrous metals, mineral fertilizer and cotton," Misovsky notes and points out the increasing importance for the Czechoslovak economy of Soviet machine industry imports such as machine tools, machinery for mines and the building industry, aircrafts, computers, equipment for the Prague subway and nuclear powerplants, as well as of Soviet consumer goods.

"As previously, exports of Czechoslovak machinery to the USSR, which make up more than 60 percent of Czechoslovak overall exports to the USSR, accounted for the main source of foreign currency to ensure imports of essential raw materials and materials from the Soviet Union," Misovsky says and adds that "the main emphasis in Czechoslovak machinery exports was on deliveries of machine tools, forming machines, equipment for the consumer goods and foodstuffs industries and for nuclear powerplants, of trucks, river passenger ships, diesel locomotives, streetcars, agricultural machinery and so forth."

Listing examples of CSSR exports to the USSR, Misovsky says that "In the past 5-year period the Brno Chepos branch plants delivered six units for the production of urea; the number of plants delivered for the production of ammonia rose to 15. There has also been an increase in the number of units delivered as well as in the production capacity of installations for the processing of oil, catalytic reforming and for hydrogenation refining. With respect to those deliveries which in the Soviet Union have been classified as particularly important projects and which are being supervised by the government, our main suppliers must pay much greater attention to regular fulfillment of deliveries in keeping with the agreed-upon deadlines to make possible commissioning these important investment units within the originally fixed deadlines."

"We delivered to the USSR equipment for 10 large breweries under the 10th Soviet 5-Year Plan. The plants incorporated in the Prague CKD Economic Production Unit exported 1,250 diesel locomotives and 3,000 streetcars to the USSR in the past 5-year period. Our exports for the USSR textile and knitwear industry have more than doubled. Delivery of 4,794 knitting machines and of 2,400 Autosuk spooling machines must be mentioned among the most voluminous items." Misovsky goes on to say that CSSR consumer goods also have a good reputation in the Soviet Union and adds: "But even though we can with good reason assess the overall results achieved in exports as very successful, we are aware--as are the Czechoslovak producer organizations--that the demands of the Soviet market are constantly growing and that we can successfully export to the USSR only flawless products with high performance data and attractive consumer goods. In addition, we must keep in mind that one cannot operate on the Soviet market without perfect service and that deliveries of our machinery also require increased deliveries of spare parts."

Misovsky then lists various joint ventures with the Soviet Union such as participation in the building of gas and power lines, of an asbestos combine and of a center to jointly train flight personnel, and refers to CSSR participation in joint target programs with the USSR. Asked about the prospects of CSSR-USSR trade under the 5-year plan for 1981-85, Misovsky says: "It is envisaged on the basis of plan coordination to increase the commodity exchange between our countries in the aforementioned period by more than 36 percent (in 1980 prices) compared to results of the previous 5-year period. In the 1981-85 period mutual deliveries of machinery and equipment will increase by almost 45 percent. The protocol for commodity exchange in 1981 envisages achieving a turnover valued at $7.7 billion."

He adds that a new long-term trade agreement will be worked out in that time. "Its main objective is to ensure a balance of payments in the future. We must take into account that, compared with the Sixth 5-Year Plan, we must export to the USSR many more products in the new 5-year period to ensure indispensable imports of basic raw materials, whose prices are constantly gorwing on the world market. Therefore, it will be essential to greatly step up exports of new, more effective products to the USSR. It also will be necessary to seek new export opportunities to the USSR and, on the other hand, to far more rationally and economically process imported raw materials."

CHINA TRADE HALT DAMAGED ALBANIAN ECONOMY

AU261310 Prague RUDE PRAVO in Czech 23 Jan 81 p 6

["(AR)"-signed article: "China Harmed Albanian Economy"]

[Text] The unilateral severing of trade and economic relations between China and Albania in 1978 has caused Albania great economic difficulties; this was recently stated by Nedin Hoxha, Albanian minister of foreign trade. Up to that time China used to be Albania's most important trade partner. Despite that, in the past 5-year plan, 1976-80, Albania succeeded in increasing overall exports 33 percent, compared with the preceding 5-year period. According to the data supplied by the minister, 70 percent of Albania's exports consist of finished and semifinished products. For the first time it has succeeded in exporting paper, urea, coal and ferrochrome. The forfeiture of China as a trade partner, whose share in goods exchange had amounted to more than 50 percent, emphasized the necessity of speedier construction of a linkup with the European railroad network, because now Albanian foreign trade orients itself toward neighboring countries and smaller European states. The railroad track between Albania and Yugoslavia is to be completed toward the end of 1982. Tirana wants to increase both exports and imports this year 18 percent.

PRECONGRESS MEETING OF PARTY SECRETARIES HELD

LD270008 Prague Domestic Service in Czech and Slovak 1700 GMT 26 Jan 81

[Text] In Prague, Mikulas Beno and Jindrich Polednik, secretaries of the CPCZ Central Committee, chaired an all-state meeting of politico-organizational secretaries of the regional and Prague and Bratislava City Party Committees, together with the chairmen of regional national committees and the mayors of Prague and Bratislava. They devoted their attention to the tasks of party, state and mass bodies and organizations in preparing the elections of representative assemblies and the election programs of the National Front for the forthcoming legislative term; to the further improvement of management of the economy by the national committees; to raising the work efficiency of national committees in center localities, as well as raising the overall quality of state administration. The meeting also dealt with experience gained at annual membership meetings and conferences and topical tasks facing the CPCZ during the precongress period.

WRITER SAYS WAGES MUST CORRESPOND TO WORK PERFORMED

AU261300 Prague RUDE PRAVO in Czech 23 Jan 81 p 2

[Svatopluk Smutny article in the column "From Everybody and For Everybody": "On Delicate Matters"]

[Excerpts] From a reader's letter: "Such a hue and cry about improving management--and what good will it do? Who knows? And it could have been done so simply by raising the basic wages, by paying the people properly for their work; and work would immediately improve!"

Now is that so: Has all the work of many years in preparing the "Set of Measures for Improving the System of Planned Management in National Economy" been actually superfluous? Is it sufficient to raise basic wages, and the working morale will immediately become the way the textbook says, as it is alleged?

Everybody has a right to his own opinion--even an opinion like the one we have cited here. Is it a correct opinion? What kind of national economy would it be, if it fixed salaries first and then expected labor appropriate for that? And what would happen if it waited in vain, if the labor (that is the result of production) did not correspond to the amounts paid out? Money would cease to have any value, because, in fact, it is not the amount of money that matters but what one can get for it.

Remuneration primarily stimulates the utilization of skill and abilities. The stimulating effect of the basic component of remuneration (that means the basic salary) is only small; stimulation is primarily produced by the flexible component (premiums, rewards and so forth). That is why the Set of Measures stresses substantially enhancing the motivating influence of the stimulation component of wages by fixing it to amount to approximately one-third of wages.

Yes, of course the premiums and rewards were being paid out previously. But how was it done? Let us again cite the reader's letter: "....the premium system and the system of rewards based on performance do not stimulate if they are distributed on an egalitarian basis..." This is probably the origin of the opinion we quoted before. If premiums and rewards are paid out on an egalitarian basis, why not include them in the basic salary directly?

That is no solution; it would change nothing in the standards of production. Good and bad workers would get approximately identical remuneration. What is the consequence of egalitarianism in the distribution of premiums? The reader we quoted views it correctly: "Even good workers slip, after a time, to the level of bad workers, because they see no substantial difference between rewards for good and bad work."

One must not become reconciled to that. On the contrary; good workers must be supported in their effort; their working morale must be consolidated by just reward. One must emphatically show them that the enterprise respects their honest work. That is exactly why we expect the emphasis placed on the flexible wages component to play a positive role.

But the entire management of the enterprise, the entire system of work appraisal and the damanding assessment of work must all contribute to it.

It is being claimed that premiums and performance-based rewards have become a necessary component of wages and that everybody counts on them this need not be changed much; only in that they must be backed by honest work. They may be paid only for actually performed work of required standard and quality.

The purpose of the entire Set of Measures is to lead the national economy toward strikingly raising the effectiveness of the creation of resources. In other words, toward better production for the purpose of receiving for such products in the international goods exchange sufficient payment to cover the imports needed by the national economy (but also means for importing goods that would diversify the domestic market). What a number of export goods are lacking in standard must be compensated for by exports of other goods--even of goods that are in fact needed for domestic consumption. In other words, the enhancement of technical standards and quality of exports should enable us not only to better satisfy import needs, but also to contribute toward achieving a structural change of exports, leaving more consumer goods for the domestic market.

It is easy to speak of the matter of wages if one has the means for raising them. It is less easy to explain to people that they cannot get more money for performed work than what its quality is worth. Although everybody knows that he cannot spend more than he earns, there are quite a few people who believe that the state can afford to do that. But even a socialist state is not omnipotent; it can work only with the means it has created. That is why the state must comprehensively support the creation of resources and reward the intensity of the creation of resources according to merit. This always has been, and obviously will continue to be, a delicate matter. It is easy to judge the work done by somebody else--but many people feel reluctant to do it regarding their own work.

STROUGAL ARTICLE ON IMPROVING ECONOMY PUBLISHED

LD232206 Prague CTK in English 1508 GMT 23 Jan 81

[Text] Prague, 23 Jan (CETEKA)--Means available to Czechoslovak economy must be utilized in order to preserve and improve the attained standard of living, Communist Party Presidium member and Czechoslovak Premier Lubomir Strougal writes in the latest issue of the party Central Committee magazine NOVA MYSL.

Orientation on effectiveness, quality of work and use of intensive factors, as well as application of mechanisms in the management of the national economy that will lead to maximum exploitation of the advantages of the socialist economic system are in the interests of the whole society. Full application of the results of science and technology, use of international division of labour and constant improvement of planned economy are crucial for Czechoslovakia's future socio-economic development, Lubomir Strougal writes.

Czechoslovakia spends much on the development of science and technology--in the 1970's this expenditure amounted almost to 160,000 million crowns. This branch attained some positive results--e.g., in starting and developing the manufacture of equipment for nuclear power plants, computer technology, numerically controlled machines and chemical products. However, in view of the expenditure the results are just partial--and a principal turn in the application of progressive science and technology has not taken place.

Causes rested especially in the little effective system of the economic tools of management giving insufficient motives for the preparation and broad application of new technology as well as the growing volume of administrative and other unproductive activity.

As a result the average time needed for a solution, more than five years in most principal tasks, could not be shortened.

Lubomir Strougal points out the importance of international socialist economic integration. The share of products manufactured under specialization agreements was five per cent of total Czechoslovak exports to Council for Mutual Economic Assistance (CMEA) member states in 1970, eleven per cent in 1975 and 29 per cent in 1979. Besides specialization and cooperation, Czehcoslovakia is interested in the development of joint construction of industrial projects, especially in fuel and power production and obtaining of raw materials. In the last ten years Czechoslovakia earmarked almost 800 million convertible rubles for the construction of supplementary capacities in the Soviet Union, e.g., the long-distance gas pipeline Soyuz, and asbestos, iron ore and ferrous alloys mining and processing plants.

Lubomir Strougal stresses that joint long-term strategic programs, such as the program of development of the linked energy networks of the CMEA member states by 1990 providing for the construction of nuclear power plants with a capacity of 38 thousand mw (without the USSR), are a unifying element of the socialist countries' economic policy.

This year Czechoslovakia is entering a very important phase when new rules and principles start to be applied in the whole production and non-production sphere in order to increase influence of the mechanism of planned management on the growth of effectiveness. Lubomir Strougal emphasizes that no circumvention or questioning of the adopted principles may be permitted and that leading economic executives and the scientific and technical intelligentsia have great responsibility for directing the initiative of workers.

He notes in this context that out of Czechoslovakia's 7.5 million employees in the national economy, 1.4 million have specialized secondary education and some 450,000 are university graduates. It is necessary that this strong staff of specialists increase their contribution to the solution of tasks of the economic and social program of the party, Lubomir Strougal writes.

BRIEFS

FOREIGN CURRENCY ALLOCATION--Foreign currency allocation to CSSR citizens going abroad this year has been increased. Persons privately visiting Bulgaria may exchange 25 leva a day, the GDR M80, Yugoslavia 250-350 dinars and the nonsocialist countries $14-17 a day. Children under 15 years of age will get half those amounts. However, the maximum foreign currency allocation to visitors to Yugoslavia is 7,000 dinars and to the nonsocialist countries $340 for the duration of their stay. Persons wishing to visit Poland may purchase zlotys 90 days after their last visit there, at the earliest. The allocation of foreign currency for trips to other countries remains the same as in 1980. To persons travelling abroad "on invitation" the allocation has also been increased--to Yugoslavia to 350 dinars per person a day for the duration of their stay, to the nonsocialist countries in Europe to $17 and to the overseas countries to $34 per person a day for the duration of their stay. [Bratislava VECERNIK in Slovak 14 Jan 81 p 4 AU]

NEW USSR CONSUL--Stanislav Ivanovich Minakov, the newly appointed USSR consul general in Karlovy Vary, was received on 16 January in Prague by CSSR Deputy Foreign Minister Dusan Spacil. [Prague RUDE PRAVO in Czech 17 Jan 81 p 2 AU]

EMPLOYMENT FIGURES--A total 47.7 percent of all Czechoslovaks are employed. In the course of the Sixth 5-Year Plan, the country's work force increased by 280,000 persons. In the current 5-year plan, the work force will increase by only 140,000-150,000. [Bratislava ROLNICKE NOVINY in Slovak 16 Jan 81 p 2 AU]

USSR PROTESTS TREATING W. BERLIN AS PART OF FRG

LD261833 East Berlin ADN International Service in German 1721 GMT 26 Jan 81

["USSR Embassy Statement"--ADN headline]

[Text] Berlin, 26 Jan (ADN)--A statement addressed to the British military mission, as representative of the authorities of the three Western powers in West Berlin, reads:

The Soviet Embassy would like to draw the attention of the authorities of the three Western powers in West Berlin to the election of the governing mayor and the Senat and make the following statement:

In connection with the government crisis in West Berlin, a large group of FRG politicians came to West Berlin and were confirmed as governing mayor and senators on 23 January 1981. With this step the FRG has again attempted to treat West Berlin as a constituent part of the FRG and as a land of the Federal Republic.

Actions of this sort are in contradiction to the quadripartite agreement and the basic stipulation that West Berlin does not belong to the Federal Republic. The responsibility for this violation rests with the Western powers alone, who are encouraging the FRG's illegal claims to this city, which has never belonged to the FRG and does not belong to it.

LDPD DEPUTY CHAIRMAN REVIEWS POLISH EVENTS

AU261913 East Berlin DER MORGEN in German 23 Jan 81 pp 3, 4

["From" the re[illegible]at the 14th session of the Liberal Democratic Party of Germany [LDPD] Central Executive Committee on 21 January in Berlin, read by Hans-Joachim Heusinger, LDPD deputy chairman: "The Tasks of Liberal Democrats in the year of the 10th SED Congress"]

[Excerpt] Old Intentions in a New Shape

The situation in neighboring Poland causes our members great concern. This is more than understandable. After all, all of us feel obliged to the cause of peace and socialism, to the unity and cohesion of the socialist community of states, and to the principles of socialist internationalism and a further development of our fraternal relations with socialist Poland. This is all the more true because the imperialist enemy is trying by all possible means to exploit the current difficult situation in the Polish People's Republic to implement his own concepts aimed against the socialist states, in a manner which is as coldly calculated as it is subtle.

The variation is new--the plan is old! Let us recall that as early as the sixties, the already known Brzezinski developed the so-called "East European differentiation concept." It aims at fanning nationalist, antisocialist and anti-Soviet trends, as well as at the so-called "liberalization" of the socialist countries' public life. This imperialist objective constitutes the basis for the direct and indirect support for antisocialist counterrevolutionary forces in the Polish People's Republic by U.S. imperialism, the FRG and other NATO states.

In this difficult situation, maximum importance is attached to the united and consistent action of forces that are loyally dedicated to socialism in the Polish People's Republic. This is why we watched attentively when last December the PZPR, the United Peasant Alliance and the Democratic Alliance in a "declaration of collaboration," among others, emphatically endorsed the "alliance, friendship and cooperation with the Soviet Union." They emphasized that the "Polish People's Republic is a firm element of the community of socialist states and ...is making its contribution to strengthening the defense potential of the Warsaw Pact."

They also reaffirmed that "the PZPR's leading role constitutes the basic principle of the Polish social system." We voice the expectation that the PZPR, the workers class and the Polish people, in firm community with the Democratic Alliance which is our friend, will cope with the situation in the interest of socialism and peace.

HUNGARIAN MINISTER MEETS HAGER, FISCHER, OTHERS

LD242200 Budapest MTI in English 1021 GMT 24 Jan 81

[Text] Berlin, 23 Jan (MTI)--MTI correspondent Tamas Kocsis reports from Berlin:

"It is a pleasure to note that the preparations are well under way in the cultural and music life of the German Democratic Republic to mark in a worthy way the centenary of the birth of Bela Bartok," Hungarian Minister of Culture Imre Pozsgay said in Berlin in a press conference on the Bartok anniversary events Friday. Invited by GDR Minister of Culture Hans-Joachim Hoffmann, Impre Pozsgay was visiting the GDR and studying its cultural life in the head of a Hungarian cultural delegation, 20-30 January.

During the press briefing Imre Pozsgay was speaking of the Bartok anniversary programmes at home and abroad. In the GDR those events will be an organic part of the wideranging Hungarian-GDR cultural ties. Hungary's cultural co-operation with the GDR is second to only the Hungarian-Soviet Union one in intensity. The working plan of Hungarian-CSSR co-operation in the coming five years is to be signed next week in Budapest, Imre Pozsgay said.

Imre Pozsgay has had talks with Hans-Joachim Hoffmann; Minister for Higher and Technical Education Hans-Joachim Boehme, and Minister of Education Margot Honecker. He also met GDR Foreign Minister Oskar Fischer.

The Hungarian minister was also received by Kurt Hager, member of the Political Committee of the German Socialist Unity Party and secretary of the Central Committee. In Berlin and Weimar the Hungarian cultural delegation was visiting cultural institutions.

FISCHER AFFIRMS SOLIDARITY WITH EL SALVADOR REBELS

LD232012 East Berlin ADN International Service in German 1607 GMT 23 Jan 81

[Text] Berlin, 23 Jan (ADN)--GDR Foreign Minister Oskar Fischer emphasized on Friday the solidarity of the GDR with Nicaragua, the patriots of El Salvador and all peoples fighting for national and social freedom. The successes of the Salvadoran patriots have "disturbed imperialist circles greatly," Fischer declared at a meeting in Dresden.

It cannot be overlooked, Fischer continued, "that the reactionary junta in El Salvador receives massive military aid from imperialist states who clearly fear that the people of El Salvador are realizing their right to self-determination and managing without external patronage." At the same time, attempts are being made to pressure and blackmail the Nicaraguan people's revolution. "All this provides a reason in this situation for us to renew our expression of the GDR's solidarity with the people of Nicaragua, to announce our full sympathy for the freedom fighters in El Salvador, and to demand that the right of self-determination be assured, without restriction, to the peoples of that part of the world."

The beginning of the eighties is an extremely paradoxical period in international politics and one rich in contrasts, Oskar Fischer stated. The obvious worldwide striving toward disarmament and everything that could make peace more stable, stands against an imperialist policy which inflames tension, provokes conflict and acts against everything that leads to social progress. This confrontation course of imperialism is the sole reason for the worsening of the international situation. The socialist states, the foreign minister stressed, set their striving for peace consistently and unshakably against this dangerous course of the arms race and war hysteria.

SED DELEGATION, JANSON END VISIT TO CUBA 23 JAN

AU261745 East Berlin NEUES DEUTSCHLAND in German 24-25 Jan 81 p 2

[ADN report: "SED Delegation Concludes Visit to Cuba"]

[Text] Havana (ADN)--A delegation of the SED Central Committee under the leadership of Carl-Heinz Janson, Central Committee department head, concluded a 1-week visit to Cuba on Friday. The delegation, which had honored an invitation of the Cuban Communist Party Central Committee, was received for friendly talks by Lionel Soto, member of the Secretariat of the Cuban Communist Party Central Committee. Soto particularly valued the constantly deepening fraternal relations between the Cuban Communist Party and the SED, as well as between the two states and peoples. The SED delegation acquainted itself with the experiences of the fraternal Cuban party in the sphere of industrial planning and management.

MINING MINISTER ANSWERS LISTENERS' QUESTIONS

DW231024 [Editorial Report] East Berlin Domestic Service in German at 1504 GMT on 21 January 1981 continues its series entitled "Listeners' Forum" with Dr Kurt Singhuber, minister for mining, metallurgy and potash, answering listeners' questions. The questions in this at times poorly heard program are either read by the program moderator or taken directly from a listeners' telephone call.

The program is opened by a telephone call from the Schoenebeck tractor plant. Welder Erich (Keller) asks what the minister proposes to do about the "noncontinuous supply" of rolled material to the tractor plant at the beginning of a year. The minister first explains that it is not true that an enterprise like the Schoenebeck plant must increase its production 13 percent this year with the same allocation of material as last year. There will be some additional material, yet the plants must seek to "reduce the specific material input" on their products, which includes the requirement of "making our machines of lighter design."

As for the spotty material supply early in the year, the minister promises the listener he will look into the matter.

Student Guenter (Kleinemann) of Dresden asks: "All the minerals we extract from the ground cause the overburden dumps to grow. Can this be utilized somehow?" By all means, says the minister. "The old dumps contain a lot of material which has not been utilized because the material could not be processed for lack of an appropriate technology." Now it is planned to gain metal or other usable material from these old dumps. "To be specific: in the next few days we will start operations of a [word indistinct] installation in the Brandenburg steel and rolling mill by which we will process former slag dumps so as to reclaim the iron-bearing materials," Singhuber says.

As for precious metal extraction, Minister Singhuber explains that one can hardly speak of any precious metal extraction in the GDR since we obtain these metals primarily from "secondary resources," that is to say, from scrap metal.

Fritz (Neubert) of Halle-Neustadt wonders how long the GDR can keep up its potash exports. Minister Singhuber points out that "the reserves of the German Democratic Republic naturally are not inexhaustible. But we have developed new processes for extracting even potash salt traces. There is plenty of potassium salt so that we need not worry about it before the year 2010." Going into some detail on potash extraction in answer to a question, Singhuber reports that GDR potash mine shafts are at a depth of 1,100 meters, the potassium chloride being extracted under the "direct shaft extraction process. The extraction methods have changed considerably in the past few years. Large-scale mechanization has been implemented," says Singhuber. The use of vehicles for transportation in the mines is not limited to carrying miners, says Singhuber, vehicles are used in drilling, blasting and other preparatory processes too.

Minister Singhuber, who points out that Wismar port is the transshipment port for GDR potash, explains to a student that GDR potassium chloride contains various elements, notably calcium, chlorine and also "a number of extremely significant concomitant elements; I am thinking, for instance, of Bromine salts, a highly important chemical for medical technology or (?medical therapy), for the production of high-quality preparations especially for cardiac diseases and so forth." Other elements serve as fertilizers or, to cite another example, sodium sulfate which is used in detergents, the minister adds. In this context Singhuber notes the GDR's great responsibility in supplying fraternal socialist countries with potash, above all the CSSR and Hungary which need this fertilizer for their agriculture and viticulture.

Michael (?Wieben) of Wismar asks about the proposed "cut" in production process stages in metallurgical production, saying that iron and steel production always require the three states of "smelting, casting, and rolling." Where should any process phases be cut, he asks. Minister Singhuber concedes that this is the traditional way of production, yet developments have advanced further. "There is, for instance, the Nachterstedt plant where we produce broad aluminum strip directly from the smelting furnace; I am thinking of the Wir (?casting) and rolling installation in the Mansfeld combine where complete wire [few words indistinct] is directly produced from the cathode. I want to add, too, that the continuous casting installation in Henningsdorf and also here in the new steelworks in Brandenburg already correspond to the phase-skipover system over the traditional yet obsolete processes, thus facilitating the output of finished products with less input of manhours and energy."

In this connection Minister Singhuber explains another method of saving material; in the technical norms covering the production of rolled material, provisions have been made, he says, for plus-minus tolerances. The rolled products meet requirements, by falling within these tolerances. Minister Singhuber's branch, he says, has decided to turn out rolled products at the "minus" tolerance as far as possible so as to "produce more sheet from the same quantity of material." As a consequence of this "tolerance utilization" the GDR produced "up to 5 million square meters of sheet more" from the same quantity of material.

Answering a question by an apprentice, Minister Singhuber affirms that the Maxhuette metallurgical plant in Unterwellenborn is now using what experts refer to as a "second, electronic smelter" on the furnaces, a computer which watches over all phases of the production process and indicates faulty developments so that corrective measures can be taken and quality standards continuously met.

Gerhard (Langbaein), the chairman of an innovator collective in Berlin, inquires about the use of industrial automatons in the minister's sphere of responsibility and from where his branch obtains these "robots." Minister Singhuber reports that more than 50 such industrial automatons are in operation in his branch, facilities which his branch "is producing on its own."

In the same vein Marianne (Schulze) of Halle asks the minister about the utilization of microelectronics in his particular branch. Singhuber says: "We have already mentioned one example, namely, that of the smelting furnace. In the meantime we have been using a few more such minicomputers, about 75 units, including 40 alone for the control of the industrial automatons and for the computer-based management and planning of the supply process. By 1985 we will have about 600 microprocessors in our branch," he says. The primary task of his branch nevertheless remains, with respect to microelectronics, says Singhuber, to "supply the electrical engineering-electronic branch with the required high-grade and top quality materials."

In conclusion, the minister says that the scrap metal required by his branch primarily comes from the "new scrap" obtained in the machine-building plants, scrap metal gained from demolition projects and naturally also from collections from private households. As for the utilization of caverns left from mining operations, Minister Singhuber says that these hollow spaces are used for "depot purposes."

MINISTER REPORTS ON STATUS OF AGRICULTURE

LD262044 Hamburg DPA in German 1866 GMT 26 Jan 81

[Text] Berlin, 26 Jan (DPA)--The GDR cannot yet meet its grain requirements from its own production because of its small cultivated area. GDR Agricultural Minister Heinz Kuhrig stated on a radio GDR listeners forum that for every member of the population the GDR has available 0.37 hectares of cultivated land. This is the equivalent of a soccerfield. The United States, on the other hand, has 2 hectares per person. Grain production in the GDR has increased by 25 million tons--39 percent--in the past 10 years. Three-quarters of the grain in the GDR has been used to meet meat requirements. Approximately 24,500 pigs and 4,600 beef cattle are slaughtered each day. GDR agriculture has also provided a daily 19,000 tons of milk, 14 million eggs, 8,000 tons of potatoes and 4,500 tons of vegetables. ADN further reported on Monday that there are 56,000 horses in the GDR. In 1952, the figure was 750,000. The number of sheep has almost doubled during the same period and now totals 2.06 million.

NEUES DEUTSCHLAND REVIEWS BROWN COAL PRODUCTION

AU260735 East Berlin NEUES DEUTSCHLAND in German 24-25 Jan 81 p 3

[Unattributed report: Facts, Figures and Trends: "Brown Coal--Our Number One Raw Material and Power Source; This Year We Will Extract 261 Million Tons"]

[Summary] No other country in the world extracts as much brown coal as the GDR. Our share of world output is 28 percent. The extraction of brown coal deposits will constitute the backbone of the GDR's power industry far into the next century. It is a basic trend in our economic strategy to intensify refinement of brown coal.

"It is planned to further refine some 80 percent of the increase in extracted coal by 1990. The output of synthetic gas based on brown coal will total 7 billion cubic meters. The coal-carbide chemical industry will be developed." It will be possible to use carbides for manufacturing products with a higher degree of refinement, such as special plastic materials, high-quality polyurethanes and intermediate pharmaceutical products.

"Some 30 percent of the investments in industry in 1981 are earmarked for further developing our country's power basis, a great portion of this for the brown coal industry.

"This year, coal extraction will be boosted from 258 million tons to at least 261.1 million tons." Modern, efficient stripping machines such as the new SRS 1,300 wheel bucket excavator of the Takraf combine, which handles 3,600 cubic meters of overlay shelf per hour, are available for this purpose.

"This year, 80 percent of power generation will be based on brown coal. For the first time, we want to exceed the limit of 100 billion kilowatt-hours in 1981."

The development of new deposits will be consistently continued. "This is necessary because by the end of the eighties, 11 open pit mines will be exhausted. It will be necessary this decade for 16 newly developed open pit mines to start extraction of coal. Thus we can reach an annual output of 300 million tons in 1990. "However, it must not be ignored, that brown coal extraction is becoming more expensive and complicated.

"It was necessary in 1980 to remove nearly 1.1 billion cubic meters of overlay to extract the coal. In addition, even today an average of 6,000 liters of water must be pumped from the open pit mines per ton of coal."

PDRY PARTY DELEGATION ARRIVES FOR VISIT

LD261132 Budapest MTI in English 1020 GMT 25 Jan 81

[Text] Budapest, 26 Jan (MTI)--Headed by 'Abdal-Ghani 'abd al-Qadir, member of the Political Committee of the Yemen Socialist Party and secretary of the Central Committee, a party and state delegation of the People's Democratic Republic of Yemen (PDRY) arrived in Budapest for an official friendly visit.

At Ferihegy Airport the delegation was welcomed by Peter Veress, member of the Central Committee and foreign trade minister; Gabor Nagy, deputy head of the Foreign Affairs Department of the HSWP Central Committee; and Deputy Foreign Minister Robert Garai.

Salim Fares, temporary charge d'affaires of the PDRY in the GDR, who is also accredited to Budapest, has joined the delegation.

Economic Talks Begin

LD270040 Budapest MTI in English 1741 GMT 26 Jan 81

[Text] Budapest, 26 Jan (MTI)--The Hungarian-Yemeni economic talks started on Monday afternoon in Budapest. The Hungarian negotiating delegation was led by Foreign Trade Minister Peter Veress and the Yemeni one by 'Abd al-Ghani 'abd al-Qadir, member of the Political Committee and secretary of the Central Committee of the Yemeni Socialist Party. The sides reviewed the two countries' economic ties and judged them as mutually beneficial. During the talks they will examine the possibilities of further developing them as well as the ways and means of creating the conditions thereto.

ALGERIAN FLN DELEGATION ARRIVES IN BUDAPEST

LD270002 Budapest MTI in English 1725 GMT 26 Jan 81

[Text] Budapest, 26 Jan (MTI)--The delegation of the Algerian National Liberation Front (FLN) arrived in Budapest on Monday under the leadership of Dellouci Boualem, member of the FLN Central Committee and chairman of the Economic Committee of the CC. The delegation was invited for the visit by the Central Committee of the Hungarian Socialist Workers' Party.

COUNCIL PASSES ROAD TRANSPORTATION DECREE

LD222326 Budapest Domestic Service in Hungarian 1730 GMT 22 Jan 81

[Text] At its meeting today the Council of Ministers passed a decree to bring road freight transportation contracts up to date. The regulations, which will come into force on 1 January next year, will provide greater independence in the concluding of contracts both to the carrier enterprises and their clients. The decree was made necessary by the fact that regulations governing road haulage, issued 20 years ago, had been prepared by taking into account the experiences of rail freight transportation, and they no longer meet current requirements. The regulations of those days prescribed in minute detail and with virtually official authority the conditions of contracts, and their substance, in spite of several amendments, has remained unchanged. The code of civil law, approved 2 years ago, already made it possible for the sides to freely determine the contents of freight transportation contracts. The new decree has abolished in general the rigid stipulations of the former set of regulations and has extended this to cover all branches and methods of freight transportation. The government discussed other subjects too. It approved Deputy Premier Jozsef Marjai's report about the CEMA Executive Committee session and it instructed the Economic Committee to take measures to implement the recommendations made there.

POLITBURO MEETS TO DISCUSS FREE SATURDAYS, SITUATION

LD261828 Warsaw Domestic Service in Polish 1800 GMT 26 Jan 81

[Text] The party Central Committee Politburo held a session today and evaluated the economic and social situation in the country. In this context the Politburo analyzed the situation created around the issue of free Saturdays.

Evaluating the attendance at work enterprises, office and institutions, the Politburo stressed the civic attitude of all those who worked last Saturday. It was stated that the work of raw material industries, and in particular some of the mining workforces who worked voluntarily on their day off, was better than on 10 January.

It is worrying that the work of the engineering, heavy engineering, agricultural machinery and light industries, and the food processing industry was worse than on 10 January. Shortages caused by absenteeism in the enterprises belonging to those industries will adversely affect supplies to the domestic market.

The initial data on the two 10-day periods of this month show that the production results achieved by industry in January will be worse than envisaged in the draft guidelines of the national socioeconomic plan for this month.

The Politburo asked the government to analyze this phenomenon in order to present essential steps which would halt a further deepening of the economic crisis.

The Politburo confirmed an open attitude to the discussion on the subject of variants of shortening working hours in accordance with the interests of the whole community and te national economy. Because of the worsening economic situation of our country, it was confirmed that the cut in working hours should be carried out gradually. The Politburo stressed that the matter of shortening working hours should continue to be the subject of talks between experts and representatives of the government, Solidarity and the industrial trade unions.

An agreement on the shortening working hours should be worked out by negotiations. It is not helped by strikes, pressure not to work and moral pressure on people who want to work.

The country needs a climate of calm, work and a relieving of social tensions. Such a climate is an essential condition for renewal in the economic and social life, the renewal guaranteed in line with the sixth and seventh plenums of the PZPR.

CZYREK SAYS 'HOSTILE' FORCES MUST BE RESISTED

LD262212 Warsaw Domestic Service in Polish 2100 GMT 26 Jan 81

[Excerpts] On the occasion of the 25th anniversary of the Polonia Society [for liaison with Poles living abroad], its Supreme Council held a gala session in Warsaw today.

Addressing the session, Jozef Czyrek, minister of foreign affairs, said that the tasks facing our foreign policy, and these include our contacts with Poles living abroad, now have to be carried out in a more complicated international and difficult internal situation. Concentrating our attention on the process of Poland's socialist renewal while overcoming social and economic problems, we must at the same time resist the attempts made by forces hostile to us, antidetente forces, to exploit events in Poland to increase tension in East-West relations, to drive a wedge between Poland and its allies. Here, the attitude of Poles living abroad to the recent events in Poland is worth noting. In most Polish centers abroad there is deep concern for our nation's truly vital interests.

DOBROSIELSKI COMMENTS ON ECONOMIC SITUATION, CSCE

LD262116 Madrid in Spanish to Europe 1830 GMT 26 Jan 81

[Excerpt] Polish Deputy Foreign Minister Dobrosielski spoke to our colleague Hector Arenas in Madrid about the socioeconomic situation in Poland:

[Begin recording] [Arenas] The Polish deputy foreign minister said he believes that the Madrid security conference might find it harder than its predecessor to reach an important agreement on international detente and added that the economic situation in Poland has deteriorated. It is now a more difficult matter to resolve than the political confrontations. This reality, he said, will lead the Church, the trade unions and the government to seek understanding and dialogue and to avert confrontation and outside interference. Then he said:

[Dobrosielski in Polish followed by Spanish translation] This is a movement and a genuine crisis which we do not want to resolve by way of confrontation or by pursuing a 100 percent [as heard] policy. [end recording]

SOVIET TV, PRAVDA COMMENT ON SATURDAY ISSUE CITED

LD270840 Warsaw Domestic Service in Polish 0800 GMT 27 Jan 81

[Text] Foreign mass information media continue to publish much material dealing with Poland. A considerable proportion of news and comment refers to last Saturday. A large number of reports stress that the Polish economy is too weak to make it possible to make all Saturdays work-free.

The Soviet television news program Vremya and the newspaper PRAVDA have reported the TASS account of the Polish Government spokesman's statement about last Saturday. It was stated in a commentary that the stand taken by Solidarity leaders who want to force through one-sided decisions by means of strikes was especially worrying. Their action makes it impossible to hold constructive talks and worsens the community's living conditions.

Assessing the effects of the failure of many people to go to work last Saturday, AFP says that this quarrel, which on the whole passed in an atmosphere of calm, will weigh heavily on any future talks between the government and Solidarity on the difficult issue of work-free Saturdays.

CORRIERE DELLA SERA of Italy says in part that the problem of the 5-day week in Poland has been transformed from a purely formal issue into an open political conflict. The daily points out that positions of the two sides are very similar; the difference is only 1 hour.

LE FIGARO on the other hand draws attention to the fact that what Poland went through last Saturday will not help to solve economic difficulties, nor to improve the social-political climate, nor to reassure Poland's neighbors. Everyone knows that negotiations will start but this will take place in an even more difficult situation because of the exceptional tension and of the fact that both sides admit the need for reviewing some parts of the Gdansk agreement.

The West German FRANKFURTER RUNDSCHAU writes that the confrontation which has taken place is contrary to commonsense, political or economic, since in fact the argument is about a single hour.

ADDITIONS TO BARKECI PRESS CONFERENCE ON SATURDAYS

Warsaw Domestic Service in Polish at 1800 GMT on 22 January broadcasts a report of the press conference given by government spokesman Jozef Barecki which adds the following passages to the item published under the headline "Barecki on Free Saturdays, Government-TU Talks" in the 23 January Eastern Europe DAILY REPORT on page G 3:

Page G 6, paragraph three, last line reads: . . . with immediate effect.

Finally the National Commission appeals for no work to be done on Saturdays declared by the government as workdays, beginning 24 January. The payment for those days should be made on the basis of strike action principles, that is the same as for annual leave.

In the course of the discussion. . .

Page G 6, paragraph eight, line five reads: . . .yesterday at that meeting.

Once again dear colleagues, I would like to emphasize that what matters is not one kind of Saturday or another. The government--this was said yesterday, and the government and Solidarity both agree--that the aim, regarding working hours, is to bring about a 40-hour work week.

Here is an interesting thing--it is worthwhile to read carefully the texts of the agreements, from which it transpires that the addendum to the Gdansk agreement says clearly that the government will introduce the same length of working hours in force in other socialist countries.

A 40-hour workweek does not exist in any socialist country. Yesterday this was discussed and I think Mr Gwiazda, replying to the question of whether he knew when he was signing it what kind of working hours would be in force, said: I did not know. Who did?

I am mentioning this as an addendum to the agreements, which, and I repeat again, contain many, often conflicting formulations which can be interpreted in many ways. Thus the goal is 40 hours. But there is a problem of when that length of workweek can be introduced. Should the free Saturdays have no effect. . .

FISZBACK URGES GOVERNMENT-TU COOPERATION, DIALOGUE

LD250008 Warsaw Domestic Service in Polish 1610 GMT 24 Jan 81

[Unattributed report from Gdansk]

[Excerpts] In accordance with the decision of the Gdansk Interfactory Strike Committee, there was a general warning strike in the voivodship from 0800 to 1200 on 22 January. About 72 percent of those employed in socialized plants in the Gdansk region are estimated to have participated.

That evening, Tadeusz Fiszbach, candidate Politburo member, first secretary of the PZPR Voivodship Committee in Gdansk, appeared on Gdansk television. He said: I never shared the view that everything that happened as a result of the August strikes, the talks and the concluded social agreement could quickly and easily be translated into concrete and tangible values. From the outset it was obvious that the work we undertook was, for various reasons, difficult and complicated, and that its social form could be settled only if there is full commitment of all the forces we have at our disposal and of all the good will inherent in us. Despite this, with all sincerity I would like to (?say) that I expected that in the 5 months which will soon have elapsed since the agreement was concluded that we would manage to achieve more and that the state of social and civic satisfaction caused by that would be considerably higher.

However, despite all the difficulties which have already occurred, and which were to be expected, the PZPR consistently favors maintaining and broadening the dialogue between the authorities and the trade unions, for an increase in partnerly cooperation in the constructive solution of all important problems of working people. The political stand of this issue was expressed many times unequivocally, including at meetings of the Central Committee. It is being implemented in good faith and total conviction. If, however, the results achieved cannot yet be called satisfactory, this is in consequence of the exceptional complexity and completely new quality of the problems being solved. New times have come, [words indistinct] and of mutual trust. The working people's good demands a sharp (?vision) of important and less important matters; the elimination of areas in which one must absolutely concentrate social energy and those which merit that to a lesser (?degree).

It demands the choice of methods of procedure which most surely will lead to the goal. We must all learn this; more than [word indistinct] is able to predict may depend on it.

TV COMMENTS ON ECONOMIC EFFECT OF WORK-FREE SATURDAY

LD262104 Warsaw Domestic Television Service in Polish 1830 GMT 26 Jan 81

[Station commentary]

[Text] In our news bulletins we have given topical reports on the production situation last Saturday. Some workforces reported for work, others replied to Solidarity's appeal and took a day off. Let us come back to this problem once more against the background of an assessment by competent departments of the economic balance of this Saturday of lost opportunities. Somebody might say: Material assets are not the most important thing. One could do without them; the fundamental matter is the morale of society. I do agree but we wish all of us to shape this morale at a level which we can afford and that it should result from a situation which not only corrects its errors and repairs damage but also reduces material shortcomings and positively influences improvement of everyday life. A morale of shortcomings is not the best morale.

The facts are as follows: High absenteeism was noted last Saturday in the enterprises of the engineering, heavy and agricultural machines and light industries. The loss to the national economy as a result of stoppages or lessening of the rhythm of work on that day is being assessed at Z4.5 billion, at least. Here are some examples: Among other things, 700 small Fiat cars and 376 other cars which could have been produced at the Warsaw car factory and more than 1,000 sewing machines were not produced that day although they could have been produced. As for agriculture, let us quote as an example: 164 tractors, 11 combine (?harvesters) and 25 sheafbinders.

Due to the Saturday stoppage at some light industry factories, our market has been deprived among other things of about 500,000 pairs of hosiery products, more than 200,000 pieces of cotton underwear, and 137,000 pairs of footwear. The detergents which are in such demand on the market could have reached on that date an output 312 tons higher than was achieved. There have also been losses in pharmacology, in the food and agricultural industry, not counting disruptions in coproduction links and direct services for the population.

What we have adduced above induces reflection, evokes anxiety and gives rise to questions. In the first place--and such voices reach us on a wide scale--how is it possible that, due to increasing market difficulties, there emerges the parallel and urgent need to ration meat and fats, to restrict the already tight allocations of sugar, to introduce a system of down payments when [words indistinct] of goods in great demands, washing machines, refrigerators, radio and TV equipment, while at the same time the creative capacity is not being used up? Can we afford in this situation to shorten working hours? The answer is unequivocal. The government operates on the basis of the August-September agreements; it has not departed and is not departing and does not intend to depart from the shortening of working hours. However, regarding this issue, just as is the case with many others, it emerges that intentions are confronted with realism, with possibilities.

The dates fixed in Gdansk, Szczecin and Jastrzebie were pressing and demanded new efficiency of action. Unfortunately, it was impossible to achieve it so rapidly. Regarding the shortening of working hours we have reached a dangerous bottleneck. We have reached a conflict situation. The New Year, instead of bringing economic improvement, has started with a regression. This is a strong and threatening statement but a true one.

The second question: What next? How long will these disputes last? Everyone who reasons in a civic manner has had enough of such a situation.

The pressure gives birth not only to material losses. It must also be examined in the category of moral dilemmas, concern for the fate of the country, for its security and development, for the atmosphere at work in life, and that is why there is only one solution which no one has rejected but which must be urgently and at once implemented. This solution is the path of partnership. A partnership conceived as a dialogue, as sensible negotiations respecting the binding law, which no agreements, neither those from Gdansk or Szczecin nor from Jastrzebie or Katowice could annul. A partnership which assumes compromises, not in the interest of any particular social or sectional group, not in the interest of the authorities or the unions--because there should be no such division.

We are witnessing a dispute due to which the entire community is losing. But let us answer the question whether this is a dispute concerning the letter and the spirit of the agreements. It does not seem to be so. This is a dispute concerning the dates and the course of implementation. Consequently, it is worthwhile reflecting whether thinking over, a scrupulous weighing up of decisions, formal considerations should overshadow the essence of the problem, cast a shadow on the process of socialist renewal.

Let us repeat it. A partnership dialogue must lead to a compromise, without victors and vanquished, with advantage for the Polish cause.

SOLIDARITY PROTEST CONTINUES IN JELENIA GORA

LD261726 Wroclaw Domestic Service in Polish 1600 GMT 26 Jan 81

[Text] The protest action and strike alert in Jelenia Gora Voivodship continues. Approximately 200 representatives of founding committees and factory commissions of the Independent, Self-Governing Trade Unions [NSZZ] [words indistinct].

They are awaiting the arrival of a government commission which will examine the proposals and demands submitted by the Jelenia Gora Solidarity. The commission is supposed to be authorized to sign an agreement with the MKZ [Interfactory Founding Committee] of the NSZZ Solidarity in Jelenia Gora Voivodship.

The Jelenia Gora Solidarity members are demanding unconditional implementation of the Gdansk, Szczecin and Jastrzebie agreements as well as the removal of several dozen [words indistinct] of voivodship authorities and the economic administration as well as the handing over for community use of three (?buildings) of the PZPR, MSW [Ministry of Internal Affairs] and voivodship authorities.

The protest action is the result of the lack of an agreement between the Jelenia Gora Solidarity and the government commission, which has the task of establishing whether the submitted charges are justified and of presenting proposals to the government.

The representatives of Solidarity gathered in [word indistinct] have adopted resolutions to the effect that should the government commission fail to arrive by 1300 on 27 January, a warning strike will take place in all work establishments in Jelenia Gora Voivodship between 1000 and 1400 on 28 January.

LEGNICA FACTORY REBUTS 'FALSE INFORMATION'

LD261744 Wroclaw Domestic Service in Polish 1600 GMT 26 Jan 81

[Text] Here is the text of a telex communication received from the Milana factory in Legnica:

The factory committee of the Independent, Self-Governing Trade Unions [NSZZ] Solidarity has informed the managing director that it has proclaimed 24 January this year as a work-free day in conformity with the decision of the National Coordinating Committee.

At the same time we have notified the director that in conformity with the agreement we will consider that day as paying back for Friday, 2 January, on which day the entire Milana workforce did not work.

False information broadcast by you and also put out by Warsaw television has created a very unpleasant situation throughout Legnica. We do not want the workforces of other work establishments to coin unpleasant epithets addressed to our staff.

[Signed] NSZZ Solidarity factory committee

Chairman Ryszard Jedrzejczyk

WROCLAW TRANSPORTATION STRIKE RUMORS DENIED

LD261730 Wroclaw Domestic Service in Polish 1600 GMT 26 Jan 81

[Text] This morning we received the news that Wroclaw transportation announced a strike. We telephoned immediately the MPK [Municipal Transportation Enterprise] traffic officer. Today 361 streetcars served by 39 brigades as well as 290 buses are operating. Eight buses have failed to leave the depots because of shortage of spare parts.

We have also telephoned MPK Solidarity which confirmed the data furnished by the traffic officer. Thus the rumor has not been confirmed by reality. We often come across unconfirmed news which does nothing but upset the atmosphere and step up tension. Maybe someone has vested interests in the dissemination of this type of information.

WARNING STRIKE STAGED AROUND NATION 27 JANUARY

Lodz, Bialystok Strikes

LD271144 Warsaw Domestic Service in Polish 1105 GMT 27 Jan 81

[Text] Lodz--Today, at 0900 a warning strike began in Lodz. Work stopped in almost all the enterprises. Work was also stopped by construction workers from Lodz. For 1 hour, from 0900 to 1000, trams and buses of the municipal transportation did not run. The PKS [state automobile transportation] system also stopped. Normal work tempo was maintained by workforces of commerce and the railroads but, at the same time, they expressed Solidarity with the strikers. Many posters point out that the reason for the strike is not simply the unresolved question of shortening working hours but also dissatisfaction with the too slow implementation of the remaining points of the social agreements.

In Bialystok, Solidarity also announced a 4-hour warning strike. Workforces of over 50 larger industrial enterprises of Bialystok region are taking part. In the Ponar-Bial equipment and [word indistinct] factory only the casting plant worked, that is, the section which normally works a 24-hour day.

Municipal transportation in Bialystok stopped work for 4 hours. The warning strike was also joined by the workforce of the domestic trade transport enterprise. The railroad and the town utility services are working normally but their employees support the strike by wearing armbands with the national colors.

AFP on Bialystok Strike

NC271045 Paris AFP in English 1042 GMT 27 Jan 81

[Text] Warsaw, 27 Jan (AFP)--Members of the independent Polish trade union Solidarity in the region of Bialystok, east of Warsaw, came out on strike for four hours today in protest against attempts at censorship of the union's publications. The strike, from 8:00 a.m. until midday local time, affected most sectors, except essential services such as health, education, food and energy supplies and transport, local sources said.

The union is demanding the dismissal of local censorship officials, access to the mass media and the settling of several disputes with the government, including the questions of work-free Saturdays and the registering of a farmers' union.

Katowice, Bielsko Biala Strikes

LD271212 Warsaw Domestic Service in Polish 1105 GMT 27 Jan 81

[Text] Our correspondents report from Katowice that a sit-in strike began at 0600 in all the enterprises of Podbeskidy region. Service and enterprises needed to supply the region with food, water, gas and electric power and heating are operating normally. The health service is fully operative and enterprises engaged in continuous production process are also working. Polish State Railroad services are normal but there is no bus service in the Podbeskidy region.

Our correspondent was told at the headquarters of NSZZ Solidarity in Katowice that selected enterprises represented at the Interfactory Founding Committee [MKZ] also declared a 4-hour warning strike beginning at 0600. Also on a warning strike are enterprises subordinated to the Interfactory Workers Committee [MKR] in Tychy which include the minicar factory, and all enterprises represented bythe Interfactory Workers Committee in Jastrzebie. The reason for this stand was taken by Solidarity in the Katowice and Bielsko Biala Voivodships is not only the issue of working time but also general matters of the implementation of agreements signed.

These reports show that social tensions are again on the increase. But the country needs work and positive, not disruptive, action. Conflicts and differences of opinion can and should be resolved in consultation and negotiations. This is why all sides, Solidarity and the government, should try and speed up these negotiations. Only negotiations, compromise and genuinely socially implemented agreements can help Poland.

OLD TU COMMISSION URGES TALKS ON SATURDAY WORK

LD262240 Warsaw Domestic Service in Polish 2200 GMT 26 Jan 81

[Text] The Consultative Commission of the industrial branch trade unions held another session today to discuss, among other things, the present situation in the country. The session voiced its concern with the increased social tension and stated that the commission's stand regarding compensation for work done on 10 and 24 January, encountered approbation on the part of most workforces. This took the form of going to work, understanding economic difficulties and the general social interest. The session declared that it is vital for the government to enter immediately into talks with representatives of all trade unions on the final regulation of principles guiding the reduction of working hours.

It was pointed out here that first of all the specific situation in various branches ought to be taken into account. The session also elected the delegates of the Consultative Commission who are to participate in the negotiations with the government on this issue and empowered the delegation to present all variants of its solution. It was stressed that the talks should be held as soon as possible.

PRODUCTION LOSSES FROM SATURDAY STRIKES REPORTED

LD242254 Warsaw PAP in English 2022 GMT 24 Jan 81

[Text] Warsaw, 24 Jan (PAP)--The Polish press agency has collected today's opinions by ministers of selected industrial branches, who summed up the initial production results on Saturday.

Vice Minister Eugeniusz Pacia said that (?130,000) people--over two-thirds of the entire number of employees--clocked in for the first shift in agricultural and food plants.

In result of one-third of the employees staying away, agricultural and food industry's losses in the production of supplies for the market have reached--according to initial estimates in the ministry--the sum of 140-150 million zlotys.

Minister of Light Industry Wladyslaw Jablonski said that his plants were manned by about 30 percent of the entire number of employees on the first shift and by about 25 percent on the second shift.

The production losses resulting from stoppages in light industry on Saturday are higher than on January 10, when they reached about 450 million zlotys.

Vice Minister of Engineering Industry Edward Meisner said: The situation in our industry was similar to that on January 10. The day's production losses reached 1,000 million zlotys according to initial estimates. They will probably turn out to be bigger than than in the final count.

Minister of Chemical Industry Henryk Pruchniewicz said that there were no losses in plants which work round the clock--about 85 percent of chemical plants work this way.

Saturday's absenteeism influenced the work of the remaining chemical plants. The drug industry was hit worst.

Further on Production Losses

LD270334 Warsaw PAP in English 0200 GMT 27 Jan 81

[Text] Warsaw, 26 Jan (PAP)--According to data released tonight 5,908,500 people turned up to work last Saturday, January 24--that is some 61 percent of all duty-bound employees.

A high turn-out was recorded in continuous-process industries, like the metallurgy or pulp and paper production, and also in public transport and communications. Miners, who are guaranteed free Saturdays, extracted 1980,000 tons of coal--nearly 100,000 more than on Saturday, January 10.

Metallurgical industry virtually fulfilled its daily production quotas last Saturday. Engineering, light, heavy machinery and agricultural equipment industries recorded high absenteeism.

The overall production losses are estimated at 4.5 billion zlotys and market oriented production was particularly badly hit. It fell short of 1,565 tons of flour, 100 tons of margarine and 120 tons of edible oil. As a result of the Saturday boycott agriculture lost 11 combine harvesters, 52 milking machines, 25 sheafers and 164 tractors.

The engineering industry failed to turn out 52 trucks, 700 Fiat-126P cars, 276 Fiat-125P and Polonez autos as well as some 1,100 sewing machines.

January Production Drop

LD270758 Warsaw Domestic Service in Polish 0400 GMT 27 Jan 81

[Text] It was reported during a press conference given by the government press spokesman that in the first 20 days of this month industrial output equalled that in the first 10 days of January last year. Last Saturday was not a day of industrial success either; in this situation the total output in the first quarter is not going to be high.

The government has recently instructed ministers and voivodas to ensure that supplies of raw and other materials reach as a matter of priority those enterprises which work to meet the needs of domestic trade. The government also instructed voivodas to give transportation priority to carrying livestock, milk and other farm products obtained in procurement. The government also promised that the discipline in the whole system of quality control of market goods will be greatly tightened. Persons responsible for poor quality output will be prosecuted.

MINE WORKERS TRADE UNION URGES PUBLIC NEGOTIATIONS

LD242100 Warsaw Domestic Service in Polish 2030 GMT 24 Jan 81

[Text] The liaison commission of the geological sector of the Mine Workers Trade Union has issued an appeal in which it asks the negotiations which are the cause of the current social tensions henceforth be conducted publicly with the participation of representatives of all the different sectors of the trade union movements and in the presence of journalists, and that they be fully transmitted live by the first program of Polish television.

The authors of the appeal suggest that the negotiations be held on 31 January and 1 February.

SOLIDARITY, HEALTH COMMISSION CONTINUE GDANSK TALKS

LD231414 Warsaw PAP Maritime Press Service in Polish 1200 GMT 23 Jan 81

[Text] [No dateline given] Talks between Solidarity and the government health service commission are still going on in Gdansk. Solidarity is protesting against the government's interpretation of one of the points in the agreement concluded on 16 November last year. It provided for making 2 percent of this year's national income available for health service investments. However, the draft budget earmarks only 1.4 percent for this purpose, while the remainder comes from subsidies granted by the National Health Protection Fund. Solidarity has warned that if the government does not change its views, the union will set up a health protection fund of its own.

Stage of Talks Completed

LD241936 Warsaw Domestic Service in Polish 1800 GMT 24 Jan 81

[Text] Another stage of the talks between the government commission headed by Tadeusz Szelachowski, director of the Ministry of Health and Social Security, and representatives of the health service employees affiliated with Independent, Self-Governing Trade Unions Solidarity, conducted since November last year, has been completed. Twenty-five appendices to the Gdansk agreement were recently signed. The talks, which lasted 3 days, were devoted to issues connected among other things, with basic health care, the work of middle and lower level medical personnel, medical equipment, medical certification [orzecznictwo lekarskie] and the labor charter of health service employees.

GDANSK REFINERY PARTY GROUP ISSUES APPEAL

LD261420 Warsaw PAP Maritime Press Service in Polish 1200 GMT 26 Jan 81

[Text] The Gdansk refinery party organization has issued an appeal to the central authorities and trade unions to hold continuous talks to reexamine all demands contained in the Gdansk, Szczecin and Jastrzebie agreements, to put down new, realistic deadlines for their implementation and to broadcast such negotiations live on television.

The appeal considers a delay in work on the draft trade union law, workers' self-government and censorship as a serious mistake. As far as shortening working hours is concerned, it is suggested that each individual work enterprise be given more autonomy.

A similar appeal has been issued by members of the Union of Fighters for Freedom and Democracy (ZBoWID) organization of the northern shipyard.

WROCLAW PLANT PZPR MEMBERS ADOPT RESOLUTION

LD262018 Warsaw Domestic Television Service in Polish 1830 GMT 26 Jan 81

[Text] Meetings of basic party organizations are being held all over the country. The most important issues of Poland's situation are being discussed: overcoming the present crisis, ways of settling economic chaos, [word indistinct] and stabilization. Party members are expressing their concern about the phenomena occurring in the country.

Here is a meeting of the party organizations of the assembly and production planning departments of the PZL [Polish Aviation Plant] (?Hydral) in Wroclaw. A draft resolution is read by a worker from the assembly department, Marian (Strak).

[Begin (Strak) recording] The issues of free Saturdays and reducing weekly working hours demand particularly urgent solutions. We appeal for [word indistinct] prudence when decisions on strikes and downing tools are taken as the last resort of influencing [words indistinct] exacting the working people's just demands. [end recording]

The party members declared their readiness to undertake work on each day legally free from work whenever the current economic situation demands it. The resolution, addressed to the authorities, and workforces of various enterprises, was adopted by a majority of the participants.

Similar meetings were held in all of the plant's basic party organizations. In some of them the debate on adopting the resolutions was postponed until tomorrow.

SZCZECIN SOLIDARITY RESOLUTION ON PRINTING STRIKE

LD232144 Gdansk Domestic Service in Polish 1540 GMT 23 Jan 81

[Text] A plenum of the Interfactory Workers' Commission of Solidarity's Pomorze Zachodnie region continued its proceedings until late yesterday evening in the (Kora) House of Culture which belongs to the shipyard.

The Presidium of the commission adopted a resolution yesterday stipulating that Szczecin Voivodship printing plant should join the warning strike forthwith. The Presidium's resolution was approved by the plenum of the commission. The resolution provides for a strike of the printing plant until it is lifted. The strike is also to be a warning strike in connection with the issue of free Saturdays. As a consequence the dailies GLOS SZCZECINSKI and KURIER failed to appear in Szczecin today.

The plenum has also adopted a resolution concerning the activities of the commission should the authorities bring consequences to bear on people who did not report for work on 10 January and who will not come to work tomorrow, Saturday 24 January.

The plenum has also examined a number of questions, among others, in connection with the way in which free Saturdays may be introduced, the role of deputies in the Sejm, the situation of Poland in the international arena and access to mass media. This last issue was regarded as a priority.

Szczecin Printers Strike

LD231418 Warsaw PAP Maritime Press Service in Polish 1200 GMT 23 Jan 81

[Text] [No dateline given] GLOS SZCZECINSKI failed to appear today. For 3 days the public of Szczecin Voivodship has been deprived of basic information.

The halt in the printing of the newspaper has been caused by a strike of the workforce of the Szczecin printing plant, which stopped working in response to withdrawal of a few articles of the new weekly JEDNOSC, from publication, published by the Szczecin Inter-factory Workers Committee. It is thought that due to the same reasons the KURIER SZCZECINSKI will not be printed today either.

Strike Halted

LD241305 Warsaw PAP Maritime Press Service in Polish 1200 GMT 24 Jan 81

[Text] Szczecin: The sit-in strike in the Szczecin printing plant, declared on 22 January, was halted on 23 January in the evening. Both Szczecin dailies GLOS SZCZECINSKI and KURIER SZCZECINSKI were not printed due to the strike.

PROSECUTOR'S OFFICE EMPLOYEES TU REGISTERED

LD261636 Warsaw Domestic Service in Polish 1600 GMT 26 Jan 81

[Text] The Warsaw Voivodship Court today registered the 62d trade union organization.

Legal status was given to the Public Prosecutor's Office Employees Trade Union of the Polish People's Republic, with its headquarters in Warsaw.

STUDENT PROTESTS, SIT-IN BEGIN AT LODZ UNIVERSITY

LD221736 Lodz Domestic Service in Polish 1600 GMT 22 Jan 81

[Text] Talks between representatives of students and a delegation of the Ministry of Science, Higher Education and Technology began according to plan yesterday at 1400. The discussion concerns the new university type and changes in the structure and program of teaching. During the meeting, which lasted several hours, the students were informed about the state of work on the new bill on schools of higher learning. In addition the first two demands submitted by the students unity committee were signed. Agreement was reached on the elections of university officers. The meeting also approved the programmatic independence of faculty councils.

About 2100 the talks broke off since the two sides were unable to agree on a joint stand concerning the teaching of sociopolitical subjects and foreign languages. Immediately after the end of the meeting a sit-in strike began at the university. Today the strike affects six departments of Lodz University. No lectures are taking place at any of the departments. In conformity with the assurances made by the rector of Lodz University and by students, calm and order prevail.

WLOCLAWEK MUNICIPAL LEADERSHIP WINS CONFIDENCE VOTE

LD232338 Warsaw Domestic Service in Polish 1800 GMT 23 Jan 81

[Text] During the extraordinary session of the municipal People's Council in Wloclawek, accusations formulated by the local Interfactory Founding Committee of the Independent, Self-Governing Trade Unions Solidarity against the leadership of the municipal office were dealt with.

Councillors were acquainted with results of the work of the commission which was especially set up to examine the matter. The accusations were concerned mainly with decisions made on supplies for the population.

In a secret ballot, councillors, with a vast majority, expressed their confidence in the leadership of the municipal office.

INTELLIGENTSIA CLUB WARNS OF DANGERS TO SOCIALISM

LD261932 Warsaw Domestic Television Service in Polish 1830 GMT 26 Jan 81

[Text] The party creative intelligentsia club Warsaw 80 has published a statement in which it expresses the view that the process of socialist renewal is in danger. Day after day the state loses opportunities to unburden itself of the many billions in dollar debts. A new wave of strikes has led to threats to the most vital interests of the nation and the state.

In the opinion of the members of Club Warsaw 80, the homeland is in danger. The members of the club appeal to the party Central Committee, urging it to mobilize all sound forces in the party so as to remove all obstacles along the road of socialist renewal. The government has been asked to embark at once on a constructive dialogue which will justify hopes of overcoming the inertia. The Solidarity leadership and leaderships of other trade unions have been urged to refrain from strikes and to embark on a dialogue with the government.

The party club of creative intelligentsia also urges all citizens, workers in particular, not to heed those who incite anarchy and violence. Calm, order, social discipline and prudence are the categorical order of the moment, reads the statement.

WASZCZUK JUSTIFIES STATE INVOLVEMENT IN CREATIVE WORK

LD252103 Warsaw PAP in English 2000 GMT 25 Jan 81

[Text] Warsaw, 25 Jan (PAP)--Addressing an assembly of leading cultural workers of the Katowice region on January 24, alternate member of the PUWP CC Political Bureau, PUWP CC Secretary Jerzy Waszczuk outlined key lines of the party and state new cultural policy in which, he said, partnerly participation of creative milieu was indispensable.

He said that the state patronage cannot alone decide on the issue of creative work, but it can not be assigned--as some want it--merely a financial role. The socialist state, which is responsible for allround development of the society, cannot give up an influence on the shape of the cultural policy and the selection of the values disseminated among the people.

The PUWP CC secretary stressed that the voices which negate the cultural achievements of not only the past decade but of the entire period of People's Poland are wrong and harmful. Although many highly critical opinions are justified yet, after all, the arts and literature of People's Poland have created a host of imperishable values. Hence, while critically overcoming the errors, we must creatively build on our achievements, Mr Waszczuk said.

SZCZECIN JOURNALISTS ATTACK CENSORSHIP, 'PRESSURE'

LD261807 Szczecin Domestic Service in Polish 1540 GMT 26 Jan 81

[Text] Szczecin journalists met on 24 January to hear information on current events and consider problems to which these events give rise for the work of radio, press and television. They considered, among other things, ways of ending the crisis situation in which the mass information media find themselves. The resolution adopted by the journalists states that the poor performance of the information system, lack of openness in public life and also attempts to manipulate journalists threaten the most vital interests of the Polish people and (?prevent) integration and normal development. This has the effect of working against the authorities themselves because it leads to the erosion of moral attitudes and paralyzes the mechanism of social collaboration.

Much attention was given to the events of 23 January in Szczecin when our dailies were not published and the workforce of the Szczecin printing plant declared a sit-in strike. The strike was caused by the censor's interference with material prepared for publication in the third issue of JEDNOSC [UNITY] the weekly published by the MKR [Interfactory Workers' Committee] of the Independent, Self-Governing Trade Unions Solidarity in Szczecin.

Szczecin journalists state that the current practice indicates that the censor's interference is more often than not a willfully broadened interpretation of basic principles of press, radio and television control.

The resolution also states that the tendency persists to avoid confrontation of views and stands in news reporting by mass information media, and the view of authorities continues to predominate. In this connection, the Szczecin journalists write, we demand the earliest possible completion in accordance with public views, of work now being done on the censorship bill and the trade union bill.

Szczecin jornalists would like to perform their job well and honestly. Because of this it is our view that all forms of pressure are impermissible. At the same time the Szczecin journalistic community fully supports all those who stand on the ground of the Szczecin, Gdansk and Jastrzebie agreements, and of the sixth and seventh party Central Committee plenum resolutions which have for their aim securing constitutional rights of freedom of speech, publication and printing.

WRITERS UNION URGES GREATER TU ACCESS TO MEDIA

LD250226 Warsaw Domestic Service in Polish 0200 GMT 25 Jan 81

[Text] The Presidium of the central board of the Polish Writers' Union has published a statement expressing anxiety with the growing conflict surrounding the implementation of the agreements signed in Gdansk, Szczecin and Jastrzebie. According to the authors of the statement, the essential condition for improving the social climate and for a decrease in tension is to implement the points of the agreements which apply to the circulation of information.

From the community's point of view it is essential for the representatives of Solidarity, industrial trade unions and other self-governing unions to have access to the mass media.

It is also considered significant to work out the law on scaling down censorship as speedily as possible.

The statement also reads: The improvement of all spheres of life in our country, in accordance with agreements signed last year, requires not just the mobilization of all the social forces but also good will. The full and permanent observance of the decisions contained in the social contract [collective name for agreements] depends on such good will. It is important for the partners to have mutual respect.

[Warsaw Domestic Service in Polish at 0500 GMT on 25 January carries a report on the Polish Writer's Union statement adding that: "This good will should also be reflected by joint solutions, arrived at by way of realistic analysis of our needs, strengths and potential. Each conflict that arises should be resolved in such a way. This method has already yielded results, which, as far as their positive effects is concerned, are very important indeed. The practice of the past 6 months or so is a sure pointer to the fact that for us, for society and the authorities, this is the only possible way."]

MOCZAR, ZABINSKI ATTEND SILESIAN VETERANS MEETING

LD232136 Warsaw Domestic Service in Polish 2000 GMT 23 Jan 81

[Text] A meeting of the leading aktiv of the Union of Fighters for Freedom an' Democracy [ZBoWID] from the Silesian region and Basin took place in Katowice today.

It was attended by members of the party Central Committee Politburo Mieczyslaw Moczar, Chairman of the ZBoWID Supreme Council, and Andrzej Zabinski, first secretary of the Katowice Voivodship party committee.

Jerzy Zientek, member of the Council of state, chairman of the voivodship ZBoWID branch in Katowice and chairman of the National Commission of Veterans of Silesian Uprising, was also present.

On behalf of the nearly 50,000-strong membership of ZBoWID in Katowice Voivodship, Aleksander Mierzejewski asked Mieczyslaw Moczar to accept patronage over the 60th anniversary of the outbreak of the third Sileisan uprising, which falls this year. Accepting this honor, Mieczyslaw Moczar emphasized that the commemoration of this anniversary will occupy an important place in the actions undertaken by ZBoWID.

During the discussion which took place at the meeting, many problems connected with the present political, social and economic situation in our country were discussed.

ZABINSKI WASZCZUK ATTEND KATOWICE CULTURAL MEETING

LD250010 Warsaw Domestic Service in Polish 2300 GMT 24 Jan 81

[Text] A conference of cultural activists of Silesia and the Silesian Basin discussed in Katowice yesterday the matters of development and popularization of culture in Katowice Voivodship, tasks of creative centers in shaping the process of renewal, and working and living conditions of cultural sector employees. The session was attended by Andrzej Zabinski and Jerzy Waszczuk.

AGRICULTURAL CONGRESS VIEWS IMPROVEMENT MEASURES

LD262030 Warsaw Domestic Service in Polish 1400 GMT 26 Jan 81

[Text] A voivodship congress of delegates from agricultural circles is taking place in Sieradz today. Representatives of the recently set up parish unions of agricultural circles and organizations are also participating.

Stanislaw Gucwa, chairman of the ZSL Supreme Committee, and Jerzy Wojtecki, secretary of the party's Central Committee were among those who attended the congress.

The proceedings are dominated by two trends: criticism of irregularities in the work of agricultural circle's cooperatives and the search for ways out of the current difficult situation. Proposals and suggestions put forward during the discussion, aimed at making work in the countryside more efficient, are to serve this purpose.

Further on Congress

LD270830 Warsaw PAP in English 0220 GMT 27 Jan 81

[Text] Warsaw, 26 Jan (PAP)--The first voivodship congress of delegates of farmers' circles and organizations was held in Sieradz today. Present at the congress were Chairman of the United Peasant Party Central Committee Stanislaw Gucwa, secretary of PUWP CC Jerzy Wojtecki, Chairman of the Central Board of Agricultural Circles Jozef Koziol, and the authorities of Sieradz Voivodship.

The delegates launched an appeal addressed to the working class, Solidarnosc, branch unions and the government for the earliest possible completion of negotiations, so that the social crisis in Poland can be overcome. The farmers wish for a removal of the threat of new conflicts. They want to start the spring farm work in an atmosphere of peace.

"On our part, we promise that we shall spare no effort to remove the food shortage in the country, if only we receive the necessary means of production", the farmers pledged.

Addressing the meeting, Stanislaw Gucwa referred to the motto of the congress: "Self-Government of Agricultural Circles To Guarantee Renewal in the Polish Countryside." He said that the development of rural self-government, a renewal and democratization of life are among the main premises of the joint agricultural policy of the PUWP and the UPP [United Peasant Party]. Agricultural self-government has all the makings of a genuine partner for administrative authorities, Gucwa said.

GLOS PRACY ASSESSES REAGAN'S PROSPECTS AS PRESIDENT

AU261513 Warsaw GLOS PRACY in Polish 22 Jan 81 p 2

[Commentary signed "I": "The United States--Following the Washington Inauguration"]

[Text] The fanfares and fireworks accompanying the new President's inauguration in Washington are now over. Jimmy Carter's inauguration had been a different affair. President Reagan saw to it that the ceremony of his accession should be most sumptuous: It was attended by hundreds of thousands of Americans, not only from Washington but from the entire country as well.

The freeing of the American hostages who had been imprisoned in Iran for 444 days, was an important element of the inauguration. The long and tiresome negotiations and parleys at last produced specific results and one of the serious factors that had weighed heavily on U.S. foreign policy disappeared from its confines. In addition, the new President made a significant gesture to Jimmy Carter by delegating him to officiate as his special envoy in welcoming the freed American diplomats.

The new President's inaugural address was anticipated with great attention in and outside America. Of course, no one had expected that in his brief 15-minute address Reagan would present a comprehensive action program. However, bearing in mind the stresses of the address, observers are trying to prognosticate and to compare what was said at the inauguration with the declarations and statements made during the election campaign. The main question they have asked themselves in this connection is whether the new President will follow a conservative and rightwing policy or whether his program will give the lead to realistic and pragmatic elements.

The first impressions of the President's address is that it was a considered and calm address but that it had generally kept to the formulations of the election campaign. Defining his administration's priorities, Reagan listed domestic policy, especially economic policy, in first place and said that his administration would focus its efforts to combat inflation, which is painfully affecting all American people. He promised to cut federal taxation and the federal authorities' interference in individual spheres of life. The role and importance of the individual state authorities and of local self-government groups are to increase greatly.

As for foreign policy, the new President did not go beyond the familiar concepts he had previously presented. He stressed that peace was the highest value of the Americans, that the United States would work for peace and fight to preserve it and that the way to do that is to strengthen U.S. defense forces. No doubt the new administration possesses its own formula for coexistence and for U.S.-Soviet relations, which are of key importance for the world. As observers have noted, the Washington-Moscow dialogue will no doubt continue, but it will be conducted in a different language and with different accents.

However, only the immediate future will show what all that will be like in practice.

As he did during his election campaign, at his inauguration the new President presented himself as an energetic, sober, organized and calm human being. If we also take into account the consistency with which he sticks to his principles as well as the political perseverance and adroitness he demonstrated during his presidential campaign, we have an image of a man who is different in action style from his predecessor. The issue is how that style will be instrumental in solving the problems facing America as a country with a complicated domestic situation and as a great world power.

MAJOR DRAFT GUIDELINES FOR ECONOMIC REFORM REPORTED

WA261010 Warsaw ZOLNIERZ WOLNOSCI in Polish 10-11 Jan 81 pp 1-16

[Brochure, authored by the Commission for Economic Reform: "Major Guidelines for Economic Reform (A Draft)"; dated Warsaw, January 1981]

[Text] I. Need for an Economic Reform and Its Objectives

Implementation of the policy of socialist renewal is inseparably linked with economic reform as one of the essential prerequisites for fuller utilization of the great productive potential created in People's Poland and for surmounting the social and economic crisis in which our country found itself at the threshold of the 1980's.

A difficult market situation, a poor balance-of-payments situation, an excessive number of capital projects in progress, drastic shortages in the area of material-technical supply, structural disproportions and great waste of productive factors, retrograde movement in agricultural and industrial production, a low level of labor productivity, escalation of wage demands, and many unresolved elementary social problems -- these are the basic features of our country's present situation. This situation has been affected by years of poor harvests in agriculture, as well as the raw materials-energy crisis and other adverse trends in the world economy. This is primarily, however, a result of deformations in functioning of the sociopolitical system and the economy, deformations which have been increasing for many years. An autocratic system of exercise of authority and an unsound voluntaristic socioeconomic policy led to the occurrence of dangerous stresses and disproportions in the economy, which made it impossible to adapt the mode of functioning of the economy to the social need of joint participation in management by working people and appropriate utilization of a modern material base and the demands of scientific and technological progress. This was one of the major reasons for the poor efficiency of the nation's economy and as a result led to social conflict.

The coming years demand a substantial improvement in the social effectiveness of economic management. In the face of diminishing accessibility of production factors, under conditions of heavy indebtedness to foreign countries and large wage and social commitments to the public, there is only one way to meet growing societal needs -- a fundamental improvement in efficiency of management. This can be achieved through structural changes, higher labor productivity, innovations, scientific and technological advances, and economic progress. The present system of functioning of the economy is unable to meet these demands, for it does not create the appropriate incentives and possibilities for action in those areas for economic organizations, local units, and other groups. A comprehensive economic reform is needed, a reform which, in connection with implementation of the changes announced by the Sixth and Seventh Central Committee plenums, forms qualitatively new conditions which facilitate the task of surmounting the crisis and ushering our country permanently onto the road of socioeconomic progress.

A Commission for Economic Reform was established at the initiative of the Politburo, for the purpose of achieving the earliest possible implementation of an economic reform, with the aim of ensuring broad participation by scientists and practical socioeconomic experts in working on reform guidelines. The Commission is made up, together with working groups, of approximately 500 representatives of various scientific fields, civic leaders and economic officials, party and party-unaffiliated, workers and representatives of other socioocupational communities, public organizations and trade unions. This commission was assigned the job of drafting a general plan of reform as well as supervision over work aimed at improving the level of planning and management of the economy. The first stage in the Commission's activities has resulted in preparation of this draft, which deals with major guidelines for economic reform.

These guidelines were drafted on the basis of the achievements of science and the results of domestic experiments, taking account of the results of current studies dealing with changes in the functioning of the economy in Bulgaria, Czechoslovakia, Yugoslavia, the GDR, Romania, and especially Hungary and the Soviet Union.

Diversified views were revealed in the course of the Commission's work, views which, as a result of sometimes heated debate, made it possible to achieve joint determination of the basic direction to be taken by future work on a reform. The next stage of the Commission's work will aim at concretization of the guidelines of this draft, a process in which the results of discussion and debate by the general public will be immensely helpful.

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1. A program of reform must be adapted to the concrete conditions of socioeconomic development.

This country's economic conditions will continue to be unfavorable for a period extending into the coming years. This is connected with unusually limited accessibility of raw materials and energy as well as foreign exchange, which restricts freedom of economic choice in economic organizations and functioning of economic mechanisms, and is also connected with the considerable and still increasing inflationary pressure on the domestic market, which weakens the motivational effect of wage incentives and causes deformations in distribution of personal income to continue or even increase.

This country's basic strong suit is a high level of job skills and increasingly greater job experience of our large population of young people who entered the labor force in the 1970's. This factor and the considerable capabilities contained in our developed and updated production potential, as well as the substantial raw materials resources at our country's disposal, provide a possibility of emerging from the crisis, gradually removing barriers to further growth and development, and elimination of stresses. The heart of the matter consists in creating conditions and setting in motion the mechanisms for utilizing these possibilities.

2. An economic reform is a great social and political venture, accomplishment of which demands that we overcome inertia and requires support by conservative forces and determined support by the worker class and working people in general. Development of socialist democracy and self-government in all its forms will exert considerable influence on its accomplishment. Of particular importance is commitment to implementation of reform on the part of the Polish United Workers Party, working in close cooperation with the United Peasant Party and the Democratic Party. Adoption and implementation of the guarantees of development of socialist democracy proclaimed at the Sixth and Seventh Central Committee plenums should form institutional conditions promoting socialization of processes of management, prevent deformations in relations between representative bodies of government, government and economic administration, and enterprises, and ensure that the party correctly plays a leadership role in society, including influencing directions of development and functioning of the economy.

Reviving self-government trends in the trade-union movement, among farmers, in cooperatives, etc, are creating favorable conditions for elimination of inadequate economic mechanisms and the formation of efficient systems for functioning of the economy. This is fostered by consistent implementation of the agreements signed in Gdansk, Szczecin, and Jastrzebie.

3. The principal goal of the reform is establishment of a system and mechanisms for functioning of the economy which make it possible to implement the principles of democratic self-government by the working people of People's Poland, and promoting steady socioeconomic advance, increasing the capability of the economy to satisfy the needs of the population, and particularly the generally acknowledged basic necessities (food, shelter, health care, education, culture, working conditions, leisure time, environmental protection), as well as development and strengthening of socialist societal relations overall and at each workplace.

4. An equally important goal of the reform is creation of conditions promoting fuller implementation of the socialist principle of equal opportunities for all people and optimal realization of distribution on the basis of quantity and quality of labor. This principle should apply to all and encompass all, both monetary and nonmonetary, forms of participation by the population in generating national income.

5. Systems solutions should promote achieving and permanently maintaining economic equilibrium, and particularly market and payments balance. This should lead to a good market, strengthening of the currency, and further in the future -- together with progress in efficiency of economic management and in achieving equilibrium in the balance of payments -- to convertibility of the zloty.

6. The mode of functioning of the economy formed as a result of the reform should promote scientific and technological advance and innovation and should be focused toward continuing and rapid improvement in efficiency of economic management, and especially on achieving economies in raw and other materials, energy, better utilization of labor resources and fixed assets, high quality, durability and functionality of manufactured products, and conformity between the structure of production and the structure of consumer demand.

7. A goal of exceptional importance is that of ensuring the socialist, planned character of this country's development and adoption of systems mechanisms which would promote optimal resolution of the country's problems of the future, adaptation of long-range economic development to the demands of social development and to trends occurring in the world economy as well as changing conditions. Ensuring a high degree of effectiveness of economic cooperation with foreign countries and deepening of economic and scientific-technical ties with the socialist countries within the framework of CEMA, with simultaneous development of trade with other countries based on the principle of mutual benefit, is a very important task.

8. As a result of accomplishment of the reform, there should take place a change in the structure of relations between the central agencies of authority and government administration on the one hand and enterprises and their work forces as well as local authorities and administrative agencies on the other. This should lead to a strengthening of the strategic role of central planning and to an increase in the independence and self-government of enterprises. These two principal directions of reform are not in conflict with one another. On the contrary, they reinforce one another and create an internally cohesive system, for only in this way is it possible to combine central control as an important feature of the socialist economy with grass-roots forces of progress and to harmonize social development goals with motivations for continuous improvement in efficiency of management.

9. An economic reform should contribute to development of socialist democracy and strengthening of the socialist character of Poland's development. It should become an important factor of socialist renewal, drawing inspiration and motive force from it, and should increase that positive process, creating the preconditions and mechanisms for ensuring for working people comprehensive conditions for participation and exercise of supervision over the entire process of management on the scale of the enterprise, region, and country, and for participatory action in entities of worker self-government, cooperative self-government, trade unions, artisan associations, in people's councils, and in the Sejm.

10. Adoption of a program of economic reform should not create with the public the illusion that all difficulties will automatically disappear with its adoption. A reform will create the preconditions for overcoming difficulties, but it will fulfill the public's expectations only when organizational and system changes receive strong support in economic organizations and directly in production enterprises. Normal work rhythm is an elementary condition for implementation of the goals of reform; a fundamental improvement in organization and discipline at each workplace and in each area of the economy, optimal utilization of work time and the resources remaining at the disposal of economic units.

Implementation of reform should become the business of all working people. It is essential that everybody understand the significance of the reform and participate in carrying out reform guidelines at specific work stations at enterprises and establishments. It is therefore so important that in the course of public discussion and debate work forces determine their position not only as regards the general reform guidelines. Equally important, and perhaps even more important, is determination in the course of debate and discussion of what should be changed at a given workplace in order to

promote attainment of the goals of the reform, so that our country will overcome the present crisis and enter a path of continuous socioeconomic advance.

II. Economic Conditions of Reform

11. An essential condition for effectiveness of a reform is a socioeconomic policy which will permit practical functioning of systems principles. A reform of the system of functioning of the economy can fulfill expectations only under conditions of fundamental alleviation of the acute state of economic imbalance. One should not expect of a systems reform that the reform itself create the conditions which determine its effectiveness. Institutional-organizational changes and transformation of mechanisms of functioning do not of themselves bring an end to inflationary pressure and lack of equilibrium in the consumer goods market, do not repair the seriously dislocated structure of the economy and foreign trade balance, and do not reestablish proper proportions between sectors and branches of the economy. On the contrary, these disproportions and inflation can thwart reform.

12. In the present socioeconomic situation a primary condition for implementation of reform is focusing of economic policy toward reducing economic disproportions and stresses and overcoming the economic imbalance in the domestic market, in foreign trade, on the capital investment front, and in material-technical supply.

The shift which is taking place in economic policy is a basic condition for achievement of the goals of reform. It is necessary to continue sequential undertaking of actions aimed at correcting disproportions and achieving a positive coupling between improving balance and increase in efficiency of economic management obtained as a result of reform. One basic problem is selection of the path to take in order to reach economic equilibrium. The effectiveness of a policy of restoring equilibrium depends not only on measures of an economic nature but also, and perhaps primarily, on factors of an extraeconomic nature, and particularly on social moods and attitudes. Therefore of immensely important significance is undertaking on a priority basis o f actions which lead to correction of the most serious public complaints, which can promote a decrease in the public feeling of unavoidable difficulties and sacrifices and can create conditions for closer cooperation between the public and the authorities in efforts to improve the economic situation.

13. Economic policy in coming years -- as well as in the longer term -- should be directed toward increasing the share of consumer goods output in societal production.

Restoring market equilibrium demands rapid adaptation of the structure of industrial production to the needs of the market, ensuring on a priority basis rapid growth in deliveries of goods satisfying the basic needs of the population. Economic policy should promote development of small-scale industry and services. Of particular importance is improvement in supplying the market with foodstuffs. It is essential to utilize all possibilities of boosting food production.

14. Agricultural policy should create favorable conditions for development of all sectors in agriculture -- the private sector, the cooperative sector, and the state sector -- and should also promote social reforms in the village. In order to increase agriculture's share in feeding this country's population, favorable economic conditions for agricultural production should be secured for all sectors of agriculture, with a pronounced increase in supply of means of production for agriculture. This should be linked with a fundamental increase in the percentage share of industrial output for the benefit of agriculture and animal husbandry. There should be adopted a mechanism of adjustment of prices on farm products to increased costs, while maintaining a suitable level of profitability for the farms. Securement of a steady growth and profitability of agricultural output demands a substantial increase in flow of means of production to agriculture. Essential in the further process of modernizing farm production is an improvement in the agrarian structure, including by creating more favorable conditions for increasing the total acreage of privately-owned farms, improving the efficiency of procurement of agricultural products, as well as development of farm products processing and storage.

15. Policy moves aimed at increasing availability of goods and services should be accompanied by collateral actions in the area of income and price policy. In particular, there is a need for linking more closely wage and income growth with growth in production and services, as well as a gradual change in the level and structure of prices, making it possible to achieve market equilibrium in individual sectors.

In addition, the following areas should be considered:

a) incentive for and growth in savings, which requires that forms of saving be made more attractive, as well as a substantial increase in efficiency in serving the public by the PKO [General Savings Bank];

b) sale of interest-bearing government bonds;

c) increase in the share of the funds and assets of the general public in development of cooperative enterprises and various forms of small-scale production;

d) introduction of payment in advance for some goods (automobiles, audio equipment, color TV sets, private residential construction, etc);

e) employment of fiscal measures directed primarily at elimination of excessive differences in income.

16. Consideration should also be given to a variant permitting a substantial shortening of the time required to achieve market equilibrium, namely a variant consisting of a basic reorganization of the structure of retail prices and personal income.

A retail price reform should be carried out in conjunction with a new configuration of the structure of incomes, which would incorporate the principle of differentiated compensation, protecting the real wage level of lower-income groups. A mandatory condition for accomplishing such fundamental changes would be to obtain broad public support on the basis of understanding the need for such changes as well as reliable advance information and a general public discussion and debate. It is essential that the public be convinced that a decision to make possible changes in the structure of retail prices as well as personal income will be made only on the basis of public debate and will actually take into consideration the results of such a debate. A necessary factor of great importance in this regard is close cooperation with the trade-union movement and a joint search for solutions which would take into account to an optimal degree on the one hand the interests of the worker masses from the standpoint of guaranteeing the level of real income (particularly for lower-income groups), and on the other hand the possibility of a substantial acceleration of the process of regaining economic equilibrium.

Accomplishment of changes in the level and structure of income and prices would be of great significance for accomplishment of a reform, would improve the health of the structure of prices and income ratios, and would substantially facilitate reestablishment of market equilibrium and thus relatively rapid and comprehensive implementation of the draft guidelines for a reform.

17. Employment policy should be directed primarily toward increased societal labor productivity, structural changes and elimination of excessive employment. The principle of not placing limits on employment and benefits deriving from increased labor productivity at enterprises should be observed in a consistent manner. Influence on magnitude of employment in economic organizations should be accomplished with the aid of economic instruments.

In connection with the need to accomplish profound transformations in the structure of employment, it is essential to create possibilities and incentives to broaden skills and change occupation in connection with taking employment in a new area of the economy, and especially in agriculture and the service industry.

In actions aimed at achieving organizational progress as an important factor in rationalization of employment, primary significance should be attached to raising the level of

quota determination and improvement in technical preparation for production, as well as adoption of organizational innovations at enterprises.

18. In development policy it is necessary to attach proper importance to overcoming the deep disproportions between the principal means of production, that is, raw and other materials, fuels and energy on the one hand, and fixed assets and labor resources on the other. Raw and other materials, especially fuels and energy, are at present the most short-supply means of production, and they will continue to be in the near future. This has a negative effect on the degree of utilization of fixed productive assets as well as the level of labor productivity. It is therefore necessary to focus the entire economy toward efficient utilization of material resources. The growing flow of capital expenditures (including foreign-exchange) should be directed not so much toward increasing production of raw and other materials, but rather a steadily increasing emphasis on their economical and efficient utilization. This also applies in full measure to management of secondary raw materials. This is a many times more effective course of action. A like emphasis should be applied in the area of research and development activities; preferential measures fostering technological advances of the materials-economizing type are necessary.

19. An immediate cutback of the production-facilities capital investment program is necessary. A stringent review of the capital investment program is essential. The principal objective is to ensure that the choice in capital spending makes it possible to utilize presently-existing production facilities, to consider capabilities to supply raw and other materials, co-production components and subassemblies, as well as the degree of urgency of societal needs met as a result of putting capital projects on-stream. Continuation of construction should be restricted to capital projects aimed at increasing production of foodstuffs and export, as well as achieving savings in raw materials, other materials, and energy, distinguished by a high degree of efficiency and early completion date. In addition, taking into consideration an appraisal from the standpoint of their influence on economic equilibrium, it should be determined which capital projects already in progress should be completed, and in what sequence. Connected with this is the necessity of at least a temporary change in the structure of imports -- restrictions of imports of capital goods to the benefit of imports of raw and other materials, as well as market goods.

A policy of a moderate and stable level of capital spending is needed. Priority in establishing the structure of capital spending should be given to the following: capital projects connected with implementation of the principal programs in the area of consumption (foodstuffs program, housing construction, standard market goods production) and increase in the economy's export capabilities; to modernization and rapid-payback capital investments. It is necessary to provide enterprises with the material foundation for execution of capital projects from moneys amassed in the development fund and other funds.

It is essential to create favorable conditions for relocating machinery and equipment, or even entire manufacturing plants, from one enterprise to another. This requires breaking down ministerial obstacles and adopting solutions which provide incentive to relocate unutilized equipment.

20. State scientific-technical policy should play a major role in establishing the principal directions and areas of obtaining economic equilibrium and execution of important socioeconomic programs. The principles of this policy should be directed toward development of this country's technical thought and its utilization to a considerably greater degree than has been the case up to the present time. A link between research and development programs and capital investment activity as well as between scientific-technical support and the modernization activities of economic units which is stronger than it has been in the past is essential.

The state should initiate and support advanced research, especially in new areas of science, where one must figure a comparatively high degree of risk. National scientific-technical policy should also encompass areas of great importance for industry as a whole, such as development of industrial automation systems and components, monitoring and test equipment, etc. The research and development area should be evaluated

chiefly by economic criteria, and more precisely by benefits gained in the area of reducing production costs or in improving the use qualities of goods produced.

2I. Restoring equilibrium in the balance of trade, and subsequently in the balance of payments, is an important task of economic policy. This should not be based on the principle of an antiimport character of the economy. Acknowledging rational import to be an important element in effective participation by this country in international division of labor, principal attention should be focused on increasing profitability of exports.

Economic policy should be directed primarily toward development of more advanced and stable forms of economic cooperation with foreign countries, with consideration of full utilization of the benefits of international division of labor within the framework of CEMA. There is particular potential to be found in further deepening of socialist integration, in which Poland should be an active participant and partner.

22. The initial period of adoption of the reform guidelines is closely linked with a three-year government plan for stabilizing the economy, which is to encompass the period 1981-1983. We can expect that as a result of implementation of this plan, equilibrium will be restored in the principal sectors of the economy, and more extensive possibilities of economic choice at the central level and in economic organizations will be created. This will allow operation of the economic mechanisms proposed in these guidelines. In the so-called transitional period, simplifying methods of control and organizational structures, it is essential to employ temporary solutions (limited number of directive targets, fund limits, prohibitions, etc).

III. Organizational-Economic Structures

23. A socialist economic system based on socialized means of production and socialist production relations comprises the foundation of Poland's socioeconomic system. This is reflected in the dominant role of the socialist sector, which appears in the form of state or cooperative ownership. One of the forms of state ownership is property entrusted to state enterprises, while another form is communal property entrusted to the people's councils. Private farming and the practice of trades based on private ownership of the means of production constitute an enduring component of the economy of People's Poland. All sectors of the Polish economy should be ensured advantageous and equal conditions of development in their area of activity, which should find expression in the legal system and in the principles of finance policy, as well as in policy pertaining to supply of means of production and in the area of product circulation and distribution.

24. The state sector is the principal sector of the Polish economy. It is necessary to increase the efficiency of this sector and to deepen the socialist character of the production relations which prevail in it. Toward this objective it is essential that two principles be observed:

enterprise independence, which permits decision-making on the basis of cost effectiveness analysis and the bearing of responsibility to the employees and the public for decisions;

self-government of an enterprise's work force, expressed in employee participation in management; conformity between the independent decisions of enterprises and the overall state plan should be guaranteed by the government's economic policy with the aid of appropriate economic instruments.

The organizational structure of the state enterprise sector should be both simplified and differentiated. There should be an endeavor to restrict middle levels of planning and management and to adapt organizations to the specific technological and economic peculiarities of a given subbranch. Preference should not be conceded in advance for any one of the possible organizational models (horizontal, vertical, mixed concentration, total independence of the individual enterprise). Determination of the proper structure should be made following comprehensive analyses. The principles of enterprise

independence should be established in individual areas taking their specific features into account.

The state railroads, power and communications comprise a special group of state enterprises. The management system within this group should be more centralized, while the self-government powers of an enterprise's work force should be more limited in comparison with enterprises of a standard type.

Linked groupings should be formed in some areas, such as coal mining and a portion of the metallurgical industry, machine building and the chemical industry, encompassing all or the majority of enterprises within a given subbranch. Within groupings of this type, the general principles applying to self-governing entities, directive tasks, etc, should be employed with certain departures from the generally applied principles.

The status of enterprise can also be obtained by certain scientific research units, individual design offices, engineer design offices, as well as engineer offices capable of performing the functions of general executor of a capital project.

Enterprises should be empowered to form voluntary associations; for example, for the purpose of conducting joint research and development activity, joint capital investment or joint activities in the area of supply and marketing. In particular, the specific features of foreign trade should be taken into account, allowing the establishment of foreign trade enterprises in the form of companies the shareholders of which would be interested industrial enterprises, export-import enterprises, and the Bank of Commerce SA.

There should be established the possibility of organizing mixed enterprises, the co-partners of which would be state enterprises on the one hand and cooperative enterprises on the other, with foreign companies also allowed for operations in foreign markets. In the case of mixed enterprises, profit would be divided (or losses shared) according to the terms specified in the agreement.

Forming the organizational structures (plant and equipment) of the economy should fall within the competence of government authorities. Decisions in this area are of great significance for efficiency of management, functioning of markets, correct establishment of co-production relations, and development of competition among economic organizations for best meeting the needs of society. These matters have been underrated and even ignored in the past. The central authorities should specify the general principles of organizational development of the economy. Central and local governmental agencies should be empowered to make or approve decisions pertaining to establishment, integration and elimination of state enterprises as well as determination of the principles of property transactions between enterprises. Association of enterprises and verification of the principles of such association should remain under supervision of the state.

25. Local authorities and administrative agencies should be an important element of the organizational structure of the economy. Representative bodies of local authorities, working in cooperation with local self-government bodies, should assess the situation within their local area, formulate proposals aimed at resolving social and economic problems, as well as formulating demands, submit them to executive agencies of local authorities, take measures to secure their adoption, and monitor all activities of local administrative agencies. Local government agencies should perform economic activities within the framework of their revenues (local taxes, land tax, revenues from enterprises operating within a given local area), as well as subsidies from the central budget.

There should be a substantial broadening of the scope of property entrusted to the people's councils, a substantial increase in economic independence and responsiblity of people's councils for the local economy, as well as clear separation of those areas of the economy for the development of which the central level of administrative control is responsible from those areas for the activities of which local government agencies are responsible. That segment of the economy under the supervision of the people's councils should encompass small-scale industry and the service industry, enterprises, establishments and other organizational units of the municipality, general construction as well as the entirety of housing administration, agriculture, retail commerce

and public food services, and construction and maintenance of public roads of significance to voivodships and rural parishes.

Local government agencies should create appropriate conditions for enterprises to operate and should influence their activities in a socially desirable direction with the aid of economic instruments. The powers and obligations of people's councils in regard to key enterprises located in a given area and under the supervision of central administrative agencies require new legal modification.

Capital investment activities of local government agencies should be financed within the framework of their own funds, bank credit and subsidies from the central budget. Local capital investments should be undertaken on the basis of a people's council decision. The changed role and status of the people's councils should be reflected in a new law on the people's councils.

26. It is necessary to restore a self-government character to cooperatives. This is promoted by the presently developing broad movement to reestablish the position of self-governments in cooperative organizations. Traditional cooperative associations, as a rich source of initiative and social commitment in solving local and national economic problems, should be reactivated. The activities of rural cooperatives, labor cooperatives, housing cooperatives, consumer cooperatives, etc, should be debureaucratized, their organizational structure simplified, with the members of cooperatives ensured an influence on their activities. Conditions should be created for strengthening existing and organizing new cooperatives engaged in diversified production and service activities. All components of government authority and administration should support and protect self-governing farmer organizations, cooperative unions, and agricultural circles, in which decisions should be made directly by cooperative self-government. The cooperative finance system and banking system should be adapted to the new structure of the cooperative sector.

Cooperative self-government should also apply to freedom in determining areas of economic activity and responsibility for achieved results. In areas where cooperatives perform tasks of national significance assigned to them by the state (for example, centralized purchase of agricultural products), operations should be based on a system of long-term contracts between cooperative unions and the appropriate government administrative agencies.

There should be assured the possibility for small-scale production units to join into cooperative economic organizations (cooperatives of legal entities). The character and functions of cooperative unions established on a voluntary basis should undergo a basic change. They should become primarily representatives of cooperative interests vis-a-vis government authorities, organizers of economic cooperation between cooperatives on a national and international scale, entities providing assistance in the area of legal and organizational counsel, and entities performing inspection and auditing functions with regard to associated cooperatives.

27. One important task is that of securing favorable conditions for development of all agriculture -- privately-owned farms, state farms, producer cooperatives, and agricultural service enterprises.

Privately-owned peasant farms generate the bulk of agricultural output, determine the level of food consumption, and also employ a large segment of the population. One condition for effective control and management of the development of these farms is creation and maintenance of a climate of stability, viewing privately-owned farms as a trwaly [potential ambiguity; may mean permanent, stable, lasting, persistent, durable] element of the socialist economy in Poland, as well as equality of rights for all sectors of agriculture.

In order to achieve proper land utilization, it is necessary to ensure self-government entities the right of participation in decisions pertaining to farming mode and method, as well as land abandoned by people migrating to the cities and farms without heirs, title to which has been transferred over to the state in return for an annuity. Privately-owned farms which are capable of farming larger acreage

should have the opportunity to do so, including through access to State Land Fund land.

Private farmers should also be ensured extensive opportunities for the purchase of manufactured and processed means of production (fertilizers, feeds, machinery, etc).

A new economic-finance system should be adopted on state farms and other socialized agricultural units, a system which would promote a rapid increase in efficiency of management, strengthening of independence and self-government as well as further development of the socialized sector in agriculture.

In central planning, targets pertaining to agricultural production should be of the nature of a forecast. In order to increase the possibility of achieving a forecast target, the government should ensure transfer to agriculture of appropriate quantities of means of production, should develop and strengthen enterprises processing agricultural products, and should more extensively utilize such instruments as prices and loans.

Efforts should be made via price and loan policy to achieve market equilibrium and a gradual elimination of control. Price policy should seek to link prices paid for agricultural products to prices on means of production provided to agriculture in order to ensure stability of farm income.

An important condition for implementation of changes in the system of control and administration of agriculture is comprehensive development of farmer self-government, especially at the base level (village and gmina). This self-government should exercise supervision over land management and utilization, regulation of means of production, activities of agricultural service units, land improvement and reclamation activities, etc. Extensive development of inter- and intrasectorial co-production in agriculture and the agricultural products and food processing industry is desirable.

28. Favorable conditions should be created for development of small private operations as an important component of the nation's economy. Development of such small private enterprises is desirable in those areas and subbranches in which small-scale organizational forms prove to be highly suitable and efficient. This applies particularly to personal and household services, services for the village and agriculture, agricultural products and food processing, production for the market as well as small-scale production within the framework of co-production with large-scale industry.

Restrictions on small-scale private operations in the area of marketing goods and services should be abolished. At the same time small-scale private operations should be provided easier access to means of production and various forms of state assistance, as well as lastingness of decisions in the area of tax and credit policy.

29. Trade unions play an important and increasingly more significant role in the socio-economic structure. The role of trade unions will be determined by their status in the enterprise as defined by law as well as by their significance as a partner of government agencies in solving problems of social policy, labor and wage policy directly, and the aggregate of economic policy indirectly.

30. The influence of public organizations and associations such as NOT [Chief Technical Organization], PTE [Polish Economic Society], etc should be assured in the activities of central and local government agencies. The system of scientific counsel and expert appraisal by scientific institutes and social-professional organizations should be developed, setting up, among other things, a collective expertise establishment. The legal and organizational basis for consumer protection should be established in conformity with the demands of the scientific community.

31. Changes should be made which proceed in the direction of adapting the banking system to new principles of functioning of the national economy. The Polish National Bank, performing the functions of a central bank, should carry out the government's economic policy in cooperation especially with the Planning Commission and Minister of Finance. The chairman of the Polish National Bank should be appointed and removed by the Sejm of

the Polish People's Republic. He should be empowered to present to the Council of Ministers opinions and proposals which arise as a result of operations of the banking system (in the area of formulation of economic policy, analysis and verification of execution of this policy, as well as the activities of economic organizations). There should also be a provision specifying the duty of the chairman of the Polish National Bank to report to the Sejm bank opinions in matters with a substantial link to monetary-credit policy. The most important analytical and report materials of the Polish National Bank and other banks should be available to the Sejm (to the appropriate committees).

Organization of the banking system should be adapted to the new principles of operation. In connection with this, the following organizational arrangement is proposed:

a) the Polish National Bank, as the central bank of issue, should also be the general bank of direct credit;

b) specialized credit institutions organized for: servicing cooperatives, agriculture and the food industry (food industry bank, cooperative banks); foreign banking operations (Bank of Commerce SA, General Savings Bank SA).

There should also be considered the advisability and possibility of establishing regional municipal banks, which would operate on the basis of local funds, as well as personal savings deposited in these banks in addition to the General Savings Bank. In conformity with monetary-credit policy, specializing banks would be subordinate to the central bank.

In order to create the requisite conditions for influencing efficiency of management, the following principles should be observed: each economic unit is financed by one bank within the boundaries of all areas of activity (development, operations).

It is proposed that the following be established:

first variant: under the Polish National Bank--a Bank Council, as a representative of entities receiving credit; its job would be to submit opinions on draft monetary plans and credit policy guidelines;

second variant: under the chairman of the Polish National Bank--a Council of Banks, which would be the supreme coordinating body of the banking system and credit policy.

Parallel functioning of a Bank Council and Council of Banks is also possible.

32. A guarantee of legal order and rule of law in the national economy demands appropriate legislation, cohesiveness between the legal system and economic system, as well as a guarantee of observance of the law. Issuing of legislative instruments in the area of the economy should be closely regulated. Statutory regulation in this area should clearly specify the legislative jurisdiction of supreme, central and local government agencies and should establish the rules of promulgation of legislative instruments. All government agencies proposing to issue a legislative instrument should be required to provide consultation in the process of drafting such an instrument. There should be adoption and enforcement of the principle of publication of all legislative instruments regulating matters pertaining to the national economy in the DZIENNIK USTAW [Legislative Gazette], MONITOR POLSKI, and perhaps in the DZIENNIK URZEDOWY [Official Gazette] of ministries. This is an initial condition for implementation of the principle of responsibility proceeding by right of execution of functions in the national economy.

There should be an increase in the role and task of the State Economic Arbitration in settling disputes in the socialized economy, which will require a change in the law.

33. The mass media should be guaranteed access to information essential to inform the public on economic problems, including prior to decision-making, for the purpose of implementation of the principle of consultation, enabling the public to influence decision-making by government authorities.

34. It is essential to adapt organization of management of the economy to the mode of operation of the new economic system which will arise as a result of an economic reform. One should particularly take into account the necessity:

of ensuring the superiority of representative institutions (the Sejm, people's councils) over government and economic administrative agencies;

of counteracting bureaucratic distortions in the functioning of administration as well as the formation of particularist pressure groups acting contrary to the interests of society as a whole.

An institutional-legal guarantee of the following should be the goal of changes in the organizational structure of the economy: socioeconomic democracy; efficient operation of the new economic system under conditions of observance of rule of law; independence of enterprises; proper functioning of mechanisms freeing and supporting initiative and activeness by all elements of societal affairs.

Essential in order to guarantee reasonableness of decisions, to counteract voluntarism and domination by particularist interests and to eliminate other negative phenomena is shaping of organizational structures of control and management and division of decision-making powers which will make possible distinct determination and consolidation of personal responsibility for decisions as well as formulation, wherever possible, of clear-cut criteria for decision-making.

IV. Central Direction of the Economy

A. Central Planning

35. Central planning is one of the basic principles of the socialist economy. It is necessary at the present time to accomplish a fundamental reorganization of the planning system and planning methods at the central level, in order to make it efficient and effective and to ensure it a strategic role in forming socialist transformations and this country's socioeconomic development. Conclusions should be drawn from the ascertained fact that the greater the extent to which the central planning level becomes involved in detail matters and day-to-day management, the more it weakens or destroys its ability to recognize and handle problems of strategic significance.

Shaping of societal development with the aid of planning should strengthen the cohesiveness of the public in the feeling of a socialist community of goals. This objective should also be promoted by socialization of planning and democratization of the forming of strategic decisions.

Implementation of this demand should find expression in the methods and procedure of planning, which should ensure broad, genuine participation and influence by the public in shaping and making decisions and in verifying execution of decisions which are of great importance for people's living standards and living conditions, this country's socioeconomic development and the socialist principles of social intercourse.

Consolidation of the strategic functions of central planning requires improvement of methods:

a) of recognition of societal needs and specifying long-range goals of economic activity in conformity with the needs of the public and the laws governing socialist societal development;

b) of assessing external and internal conditions of development of the economy;

c) of selecting the most effective directions of development, including specialization on an international scale, with particular consideration of socialist integration within the framework of CEMA;

d) of programming this country's spatial development in conformity with demands of a social, economic, and ecological nature;

e) of forming the conditions of long-term and immediate economic equilibrium, taking into account conditions of uncertainty and the adaptive capabilities of the economy;

f) of initiating work on important research problems.

Choice of solutions at the central level should be based on cost effectiveness analysis, taking into account social priorities, pointing out the economic consequences of proposed economic decisions and social effects. The public should be informed of alternative possibilities for solving given problems as well as the actual cost of economic undertakings.

Forecasting and preplanning studies should be undertaken more extensively, as essential prerequisites for long-range development programs. A particular role should be played here by scientific research establishments and scientific committees of the Polish Academy of Sciences. There should be ensured extensive participation by academic institutions and public-professional organizations in solving socioeconomic problems. The results of these studies should be made public. Government authorities should support elaboration of independent analyses and socioeconomic situation evaluations, as well as studies of this country's future.

36. The 5-year plan should be the fundamental economic development plan, integrally linked with a long-term 10-year (pacing) plan and with a national geographic development plan, plus specific-purpose programs, such as the following: a food consumption program, housing program, etc. Programs extending over several years should be submitted in several variants. The number of such programs should be limited to less than 10, and the demands proceeding from these plans should be in conformity with the actual capabilities of the national economy in the individual period. Conclusions should be drawn from the adverse experience of the 1970's when an inflation of programs, exceeding by many times over the capital investment capabilities of the national economy, resulted in an excessive number of capital projects in progress as well as a serious worsening of the effectiveness of initiated development programs. The 5-year plan should provide to the basic components of the economy fundamental orientation pertaining to the conditions of development, its social goals, as well as economic tasks and means of implementation.

Particular emphasis should be placed on the following in the content of the 5-year plan:

conditions of economic equilibrium and harmony of development processes, with particular consideration of market equilibrium in foreign trade as well;

targets in the area of improving the people's working conditions and living standards (consumption, housing, health care, education and science, culture, leisure and recreation, working conditions);

structural and geographic transformations of the economy, especially through decisions pertaining to large capital ventures and modernization of production facilities (comprehensive programs);

specification of directions and tasks in the area of economic cooperation with foreign countries, with particular consideration of integration links with the CEMA member nations;

creation of material conditions for steady improvement in efficiency of management;

formation of economic instruments stimulating economic progress and ensuring economic equilibrium.

The 5-year plan should be checked at the half-way point, and this should be accompanied by drafting of initial, preliminary guidelines applying to the following 5-year period.

Determinations pertaining to instruments of economic influence applied by government agencies to enterprises and other economic units should be an essential component part of 5-year plans.

37. The functions of the annual plan should undergo fundamental change in connection with enhancement of the status of the 5-year plan. Two variant solutions to this problem merit attention.

Variant I would consist in authorizing the past practice of ratification of the annual plan by the Sejm together with the budget enactment.

In this instance, however, the Sejm's ratification of the plan should be of a guideline nature, specifying basic quantities in the area of consumption and ratios of generation and division of national income, level of indebtedness, magnitude of capital investment, etc.

Variant II would consist in acknowledgement of the annual plan as a document ratified by the government and obligating supreme, central and local government administrative agencies to implement a policy which would ensure achievement of the targets specified by the 5-year plan. The central annual plan should constitute a guideline for government administrative agencies, applying to the entire national economy, and should contain information for economic organizations on the government's intentions and aims in the plan-covered year, as well as directions of activity by economic units which are desirable from the standpoint of society as a whole. The Sejm would consider problems of the annual plan in the course of budget debate, on the basis of information on the government's intentions specified in the annual plan, would express opinions and present comments and stipulations, but would not give the annual plan the binding force of law or a Sejm enactment. Thus institutional conditions would be created for enhancing the status of the 5-year plan as a basic implement in directing socioeconomic development and creation of long-term prospects of organization of economic activity.

38. In annual planning one should desist from drawing up draft plans for lower-level units for the needs of the central level. In place of traditional methods of gathering information for drawing up the central plan, greater use should be made of survey and questionnaire methods, obtaining reports on the plans of economic organizations, as well as interlevel consultations. The role of preplan studies and consultations with various segments of the public should be increased in the process of planning, especially 5-year and long-range planning. In conformity with this, at the stage of drafting of plans by economic organizations, there should be a change in the character and functions of guidelines by the central level in the process of drawing up plans. They should perform the function of providing information on projected social goals, domestic and external conditions, as well as necessary structural changes in the economy. The criteria and methods of appraising the performance of enterprises should be adjusted to the new conditions of plan formulation. There should be a departure from evaluations based on quantitative plan fulfillment indices. On the other hand, it is necessary to develop a system of economic analysis pertaining to efficiency of management, degree of utilization of production factors, and economic progress at an enterprise.

B. Scope of Decisions and Instruments of Management at the Central Level

39. The scope of decisions and instruments employed by the central level should be circumscribed to ensure on the one hand the strategic role of central planning while on the other hand creating conditions for independent activity by economic organizations. The individual instruments used by the central level should be supported in the National Socioeconomic Plan.

The operations of state enterprises should be directed chiefly with the utilization of economic instruments, and by administrative means only to a small extent. In a specific-purpose system employment of the latter should encompass defense requirements, certain export targets, as well as selected targets proceeding from central development programs and basic quantitative targets in the extractive industries and should assume the form of an agreement between an enterprise and the appropriate government administrative agency. In the transition period the list of prescriptions will of necessity remain larger. In

case of employment of administrative means, it should be considered whether it is not possible to avoid employment of directives by replacing them with other modes of action, in order that the enterprise's area of economic choice not be excessively narrowed.

The following should play a fundamental role in direction of the economy by central government agencies: prices and other resource assessment standards (currency exchange rates, interest rates) as well as the principles and rates of finance additional payments and encumbrances (taxes, subsidies, etc), principles of distribution of enterprise income or profit and funding, as well as accomplishment of organizational changes, and employment of agreements between government administrative agencies and enterprises, as well as assessment of administrative personnel. Instruments of an information type should be extensively utilized.

40. In the area of market and consumption, the point of departure for central management should be recognition of consumption development trends based on scientific analysis. Shaping of consumption should be accomplished with the aid of a set of mutually harmonized economic instruments, influencing production and trade organizations as well as consumers, and with the aid of rules of law regulating the aggregate of relations between them.

Central regulation should apply, in particular:

to the forming of income flows as well as structure of expenditures;

to inducement of consumer goods supply;

to the principles of operation of production and trade units in the marketplace;

to protection of consumer interests, especially in the area of product quality;

to shaping demand and rational consumption.

A basic principle of organization of the marketplace should be freedom to engage in purchase and sale transactions by all participants. Restriction of this freedom can occur only in exceptional cases, to ensure protection of the interests of the consumer.

Temporarily, in connection with a continuing shortage of goods, employment of allocation distribution is essential. It should be gradually eliminated as market equilibrium is restored. The position of the customer should be strengthened in relation to the supplier.

41. Four basic categories of capital spending are specified in the area of capital investment activity:

a) central;

b) economic organizations;

c) local government agencies;

d) capital investments funded by private citizens.

As regards central capital investments encompassing specific ventures or programs of strategic significance, the central level should make decisions directly or assign the functions of agency financing a capital project to an existing or specially-formed enterprise, as well as exercising supervision over the capital project. Capital investment decisions within this area, if not reserved for the Sejm, should be undertaken by the Council of Ministers, after considering expert opinion. The Council of Ministers should also specify the magnitude of central (budget) expenditures on financing nonproduction research and development capital projects, and should specify guidelines applying to capital projects, research and development loans given to enterprises by the bank.

Central capital investment projects should be financed by bank loans to be repaid from amortization allowances and profit during the period of operation. A possible alternative arrangement would be partial financing of a capital project from the budget, especially in the period of approach to correct price structures. Infrastructural and non-production capital investment should be financed from the central budget or from local budgets, depending on the nature of the investment.

Centrally-dictated limits and target directives should not be applied to capital investments and research and development projects financed with the funds (supplemented by bank loans) of enterprises and people's councils. In central plans these outlays should be specified and balanced as estimates. The central authorities can influence the dimensions and structure as well as the character of such capital investments and projects by specifying the principles of self-financing (that is, economic-financial system) as well as directives for bank credit policy.

42. In the area of economic cooperation with foreign countries and foreign trade, the central authorities should specify the general areas of development of this country's international specialization and the degree of its involvement in international division of labor, the scope and degree of utilization and granting of foreign loans, and should ensure, by means of an appropriate treaty policy, the best possible conditions of access to foreign markets for raw materials and farm produce, technology and loans. The status of the balance of payments should also be raised in planning as an instrument of economic situation analysis. Establishment of a maximum level of foreign indebtedness in five-year periods should be reserved for the Sejm.

In the transition period, central direction of implementation of the foreign trade plan must continue to be based on the direct means of foreign economic-financial and treaty policy. Import limits will be applied for this purpose, and wherever justified, export directives as well, import and export licenses, customs duties, import surcharges and export encumbrances.

An increasingly important role should be played by long-term orders and contracts between foreign trade enterprises on the one hand and enterprises manufacturing for export and purchasers of imported goods on the other.

In trade and other forms of cooperation with CEMA member nations, central agencies should make decisions within the framework of long-term intergovernmental agreements and understandings. These decisions should be directive in regard to government administrative agencies and should comprise the basis for entering into contracts. Assurance of their implementation by foreign trade enterprises and production enterprises should be based on agreements. There should also be provided a possibility of export licensing in this area. Treatment of targets proceeding from obligations undertaken by governments as directive export targets for enterprises should also be considered.

43. Directives pertaining to enterprises are not specifically called for in the area of domestic trade in raw and other materials. Material-technical links should be based on horizontal production-supply relations carried out on the basis of contractual agreements between producers and, wherever it is economically warranted, also with the participation of marketing and foreign trade enterprises and organizations.

Direction of circulation of materials and supplies, and particularly distribution of material resources, should be based specifically on utilization of economic instruments and other general standards, namely:

economic-financial instruments in the form of prices, margins, commissions, taxes, surcharges, etc;

general legal rules regulating the principles of supply transactions.

The system of materials balances will be of importance in forming conditions for equilibrium in the means of production market. The role and function of materials balances should be fundamentally altered, so that they cease being an instrument of

directive distribution but become a basis for establishment of equilibrium and economic instruments for controlling processes of supply and efficient utilization of material resources.

In coming years there should be established the necessity of maintaining central, direct distribution of selected categories of raw materials, other materials and fuels, for which it will not be possible to obtain a balance of supply and demand. The principles and procedure of distribution of these resources should be altered, however, in order maximally to limit the negative influence of this mode of action on the operation of enterprises. At the central level it is essential to ensure the directive areas of distribution of material resources. The character of allotments should be changed from plant and equipment to goods and services (to specific groups of products), with allotments going to economic organizations. Supply distribution organizations should specify the particular directions and areas of distribution. Extending the time frame of limits, linking it with that of contractual agreements, and bearing in mind changes in measures of performance as well as new motivational solutions, the negative effects of temporary continuation of directive distribution should be kept to a minimum.

44. In the area of product quality a relatively broad scope of central decisions and of means of influencing economic organizations is essential. These means should include the following:

enhancement in the status of state standards specified by government standardization agencies and mandatory for enterprises which determine requirements at a level corresponding to societal needs;

acceptance of initiation of production and marketing of important new products, in the form of government certification--safety and protection of consumer rights should be the principal criterion for employing this instrument;

economic penalties for effects caused by failure to meet the specified technical terms of goods deliveries;

indirect instruments of the economic-finance system which promote improvement in quality, especially through price.

Utilization of a movement by the public, which in this area should assume organized, statutory forms, should be an important element in influencing quality improvement. The Chief Technical Organization and branch associations of engineers and technicians, and the Polish Economic Society should patronize and develop a broad worker invention and efficiency innovation movement at production enterprises.

45. Central agencies should form employment policy toward enterprises by means of appropriate legal regulations and financial-economic instruments. The structure of education should be adapted to needs, career counseling should be developed, and the level of activities of worker services and departments of employment of voivodship and municipal agencies should be raised.

Creation of mechanisms for linking wages closely with work performance is a fundamental item in wage policy. Sequential boosting of the minimum wage as well as ratios specifying the allowable wage spread (ratio between minimum wage, average wage, and maximum wage), and general wage proportions (between professions), specified in general rate lists and interval-specified wage rates should be an immensely important instrument of central income policy.

Material motivations for efficient labor should be based primarily on wages. In the new wage system there should be a limitation of the number of bonus items, with a substantial simplification of the principles of remuneration. They should be understandable to and easily verified by the public. Two basic remuneration components should be applied: the first is pay based on assignment to a wage category according to a specific -- uniform nationwide -- pay rate list for specified jobs (basic wage); the second component is employees' share in the enterprise's economic performance (profit,

income growth, etc). (Enterprise wage system variants are presented in Point 81).

Wage policy in goods distribution, in construction and in other fields should be based on like principles.

The principles of protecting real wages with a cost of living increase adjustment system should be specified independent of compensation determined on the basis of the above principles.

A policy on annuities and pensions as well as other benefits, suitably correlated with wage policy, should be an important element of income policy.

The commission demands immediate adoption of new principles of equalizing taxation, the purpose of which would be to collect for the state treasury excessive income exceeding a specified amount. All income sources would be covered by this tax: basic wages, bonuses, income from distribution of net surplus in cooperatives, etc.

It is proposed that work be initiated with the aim of future regulation of income with the aid of a progressive income tax paid on the basis of total income per family member.

Systematic studies should be conducted to determine a social minimum, which should constitute the point of departure for central policy on wages and social benefits.

46. Determination of prices by government agencies should be performed with the aid of the following: determination (ratification) of prices, determination of effective principles of price formulation, as well as by influencing supply and demand.

Prices should ensure a balance between supply and demand. Differences in equilibrium price relations and production cost relations should constitute a condition for determining development and change in the structure of production in order, for example, to encourage reduction of prices substantially exceeding manufacturing costs by increasing supply -- and vice versa.

Price ratios in international markets should be the basis for determining prices on raw and other materials.

In cases where there is a lack of conditions for determining prices on the basis of world market prices, it is necessary to maintain the principle of determining marketing prices on the basis of domestic production costs or on the basis of documented technical-utilitarian features of products in relation to other products on the market.

If marketing prices are established on the foundation of production costs, they should be based on conscientiously calculated average standard figures on consumption of materials, standard labor figures, as well as standard figures on indirect costs. These prices would also reflect profit, with rate of profit to be determined at the lowest possible level in order to create a suitable economic necessity to improve overall efficiency of management. Solutions employed in this area should make it impossible for enterprises to manipulate prices or to carry over the results of poor management to prices. In every case prices should retain the character of a parameter independent of the enterprise and should be subject to verification by an agency independent of the manufacturer.

Adjustment of the level and ratio of retail prices of means of consumption to the conditions of supply and demand as well as to ratios of manufacturing costs can occur alternatively: 1) by means of one-time adjustment of prices and incomes; 2) by means of gradual, stage-by-stage transformation of their structure.

If the method of gradual, stage-by-stage transformation of the structure of retail prices on means of consumption is adopted, intergroup and intragroup retail price ratios will not be correct for some time to come. Under these conditions determination of the structure of marketing prices (prices for the supplier) separate from the

structure of retail prices (prices for the customer) is the only way to rationalize prices on means of consumption for the manufacturer.

Marketing prices on means of consumption produced by manufacturing and processing industries should be determined on the basis of the same principles as proposed for means of production. If there is to be a difference between retail prices minus trade margins and marketing prices on means of consumption, it is proposed that they be figured not at manufacturing enterprises but in trade.

A supply price reform should be drafted in the course of 1981, based on the conditions presented above, and principles of price policy should be drawn up in order that price ratios and level remain correct on a current and continuous basis.

47. Principles of selection and criterion for evaluating managerial personnel are an exceptionally important instrument in managing the economy.

In policy of promotion to managerial positions, one should be guided chiefly by professional skills and organizational abilities, as well as ethical attitude. Accomplishments and weaknesses in the performance of personnel should be objectively evaluated, and one should act in conformity with evaluation results.

There should be consistent application of a system of periodic personnel performance reviews based on the results accomplished by managed areas of economic units. Evaluation criteria should be generally known, while justifications for appointment to a managerial position should be made known to the work forces involved.

There should be general reexamination of structures of management for the purpose of making them more efficient and adjusting the number of managerial positions to the economy's actual management needs.

Alongside improving personnel policy and more extensive utilization of material incentives, there should be a substantial rise in the status of ethical-moral motivations proceeding from the socialist principles of interpersonal relations and establishment of socialist labor relations.

C. Functions of Central Government Agencies

48. It is necessary to increase the role of the Sejm and to consolidate its monitoring functions in economic affairs. Economic decisions made by the Sejm should first and foremost include the following: selection and determination of hierarchy of social goals; decisions pertaining to distribution of funds for various social goals; decisions determining distribution of income among various societal groups.

It is proposed that the Sejm ratify long-range development plans (10-year) and comprehensive programs aimed at accomplishing specific social goals, as well as plans dealing with this country's geographic economic development. The bulk of the Sejm's decision-making powers, however, should be implemented through enactments pertaining to the 5-year plan and annual plan (depending on the decisions adopted in Point 37), the state budget, as well as current monitoring of government policy; emphasis would be placed on annual plans from the standpoint of agreement with the guidelines of the 5-year plan.

It would be appropriate to adopt the principle of presentation for consideration by the Sejm of proposals pertaining to major changes in the organization and principles of operation of the economy. The Sejm's area of jurisdiction should include determination of a maximum ceiling of central capital investment as well as a maximum level of foreign indebtedness over periods extending several years.

The commission welcomes the principle of evaluation adopted in the regulations of the Sejm, not only how the government as a whole but also how individual ministries implement the Sejm's decisions and directives.

In case of determination of the impossibility or inadvisability of executing certain decisions contained in a Sejm enactment of the 5-year plan, the government should submit to the Sejm a proposal that they be changed. The public should be kept broadly informed on work by the Sejm on socioeconomic problems, and particularly on decisions, evaluation of their implementation, and on change in decisions in the course of implementation.

It is proposed that central decisions pertaining to working conditions and wages in the broad meaning of the term be discussed with the trade unions prior to being proposed for enactment by the Sejm.

In order to ensure the Sejm conditions for optimal performance of tasks in the area of direction of economic development, it is proposed that a consultative body be established under the auspices of the Sejm. The commission feels that the following variants should be considered.

Variant I--would consist of establishment of a Socioeconomic Council formed by the Sejm, containing delegates designated by the Sejm, as well as representatives, chosen by the Sejm ad personam, of people's councils, trade unions and self-governments of work forces of enterprises, peasant and cooperative, government administrative agencies, social-professional communities, as well as scientific and artistic communities.

Variant II--would consist of establishing a Committee of Experts for the needs of the Sejm Plan, Budget and Finance Committee, as well as for preparing expert analyses and evaluations for other Sejm committees.

Variant III--would consist of establishing an Economic Council under the Council of Ministers, containing prominent representatives of economic science and practice.

These bodies would provide consultation for the needs of the Sejm and its committees on draft 5-year plans as well as other draft documents dealing with socioeconomic matters, and would also publish annually, or in any case at the middle and end of each 5-year period, a report on the state of the economy, on elucidated difficulties and existing problems, as well as socioeconomic expert appraisals.

It is proposed that the Sejm commission appropriate units of the Polish Academy of Sciences as well as specialized research institutes and establishments to perform studies of public opinion, and initiate general public consultations, which in certain instances, when so designated by a Sejm enactment, could have the form of a referendum.

49. The Council of Ministers should organize and ensure proper work on the long-range plan and geographic national development plan as well as the draft 5-year plan and submit it to the Sejm for deliberation. Elaboration of the draft state budget ratified by the Sejm as well as a draft annual plan should be an important task of the Council of Ministers. When necessary, the Council of Ministers should initiate and organize preparation of central programs directed toward accomplishment of specific, important socioeconomic tasks.

The Council of Ministers should coordinate and give guidelines on work performed by supreme, central and local government administrative agencies so that individual socioeconomic tasks are accomplished in a smooth and efficient manner. The Council of Ministers should perform analysis of accomplishment of socioeconomic tasks in a systematic manner and adjust economic policy to this country's changing development conditions.

50. In the area of reorganization of the central edifice and changes in its structure and functions, one should consider first of all matters connected with adaptation of the Planning Commission under the Council of Ministers for new functions. The Planning Commission, operating as a collective body--the membership of which should include top officials of the economic ministries—should not directly undertake day-to-day economic decisions. The administrative edifice of the Planning Commission should be the government's economic headquarters in the precise meaning of the word. The Planning Commission should be responsible for elaborating draft economic plans and preparing

drafts of those decisions which remain under central jurisdiction. The Planning Commission should bear responsibility for conscientious balancing of national social economic plans, taking into consideration the degree of uncertainty in various areas of the economy. The Commission's tasks should also include drafting proposals for the government on changes and improvements in functioning of the economy. It should also prepare decisions pertaining to economic-financial, organizational and other means essential for implementing development policy.

The Planning Commission, jointly with the Main Statistical Administration, Ministry of Finance and Polish National Bank, should organize an "early warning" system to provide prompt warning of significant discrepancies between achieved figures and figures specified by the 5-year plan. Special attention should be focused on warnings pertaining to occurrence of shortages in the market and problems with the foreign trade balance.

51. Following should be the tasks of the Ministry of Finance:

a) coordination of government finance policy;

b) preparation of and supervision over execution of the state budget;

c) determination of principles as well as financial instruments and supervision over the financial system of economic organizations and local government agencies;

d) implementation of government foreign-exchange policy;

e) conduct of tax policy in regard to all sectors of the national economy, in conformity with socioeconomic policy guidelines;

f) cooperation with the Polish National Bank in determining monetary policy and in directing its implementation;

g) exercise of national financial supervision and organization of financial record keeping;

h) cooperation with the Planning Commission in elaborating national economic balance sheets as well as regulators and economic instruments employed with enterprises.

52. The Ministry of Labor, Wages and Social Affairs should be responsible for the aggregate of policy pertaining to income from labor and public benefits as well as social activities, assess the status and growth of manpower, establish the principles of influx of personnel to places of employment, influence rational placement and utilization of labor resources and determine relations in the labor market. The Ministry of Labor, Wages and Social Affairs should cooperate with the Planning Commission in elaboration of draft socioeconomic plans in the area of employment and wages, skilled labor requirements, and provide consultation on placement of capital investments from the standpoint of utilization of manpower reserves.

A particularly urgent task of the ministry is to secure uniform wage rate guides and adjustment of wage systems, as well as supervision over observance of the principles of wage policy by economic organizations.

53. The Materials Management Administration should determine and execute, working in close cooperation with the Planning Commission and Main Inspectorate of Energy Management, tasks aimed at decreasing the energy and materials requirements of product manufacture. It should exercise timely supervision over implementation of long-range economy programs pertaining to basic raw materials and other materials.

Considering the need to maintain allocative distribution of certain groups of materials in coming years, one should consider the possibility of this function being taken over by the Materials Management Administration. In this way temporarily necessary directive allocation of certain groups of materials will be separated from the traditional directive-distribution solutions employed by the branch economic ministries. Supply

distribution organizations supervised by the Minister of Materials Management should be the executors of material resources distribution policy.

54. The Ministry of Foreign Trade and Maritime Economy, as a central agency of implementation of state external economic policy, should cooperate with the Planning Commission in elaboration of long-range plans and areas of specialization and should submit opinions on capital investment plans and initiate export-promoting capital investment. Also cooperating with the Planning Commission in the process of coordination of long-range economic plans within the framework of CEMA, with special consideration of the problems of socialist economic integration, it should elaborate together with the Planning Commission 5-year and annual foreign trade plans.

The Ministry of Foreign Trade and Maritime Economy should implement foreign trade policy with employment of economic-financial instruments and direct instruments of economic policy. It should negotiate intergovernmental bilateral and multilateral trade agreements aimed at ensuring access to foreign markets, raw materials, agricultural products, technology and credit, and should represent the state in international economic organizations functioning in the area of trade and determining the principles of international economic policy.

Foreign trade should be carried out by specialized export-import enterprises established and supervised by the Ministry of Foreign Trade and Maritime Economy, which can also authorize production and service enterprises as well as other economic organizations to conduct foreign trade.

The Ministry of Foreign Trade and Maritime Economy should direct or supervise the activities of the entire network of trade establishments, representations and enterprises abroad.

55. In coming years, as long as goods shortages in the market continue, the Ministry of Domestic Trade and Services should employ central control of that market. Orders and contracts should constitute the principal instrument for regulating the market situation. This ministry should specify a list of commodity groups covered by centralized procurement. Directives pertaining to supply preferences, instructions,pertaining to supply of standard articles, as well as area distribution lists should be sent to central trade administrations.

As equilibrium is achieved, the system of directive allocation should be substantially restricted. This should be accompanied by a substantial transformation of the Ministry's functions. The following in particular should constitute its task:

formulation (drafting) of consumption policy as well as the instruments for its implementation;

cooperation in determining the instruments of economic policy which influence market equilibrium;

regulation of the principles of participation in the market by production, trade and service units;

economic influence on the activities of trade units;

development of a system and forms of protection of the interests of the consumer.

This signifies the necessity of transforming the Ministry into a supreme state administrative agency for matters pertaining to comprehensive direction of the market and consumption.

56. The State Price Commission should be responsible for implementation of government policy in the area of prices as well as methods of determining prices. It should also ensure monitoring of prices in order to prevent manufacturers from taking advantage of a

monopoly situation as well as a state of imbalance in order to establish prices which are at variance with the overall interests of society.

Essential for accomplishment of these tasks is appropriate development of analytical-research work in the area of establishment of world prices as well as the internal relationship between prices, supply and demand.

57. The Main Statistical Administration should perform the functions of a national socioeconomic information center, which collects and processes both statistical information and forecast data.

The excessively developed multiple-channel and disintegrated system of ministerial information should be put in order. The scope and category of information which economic units are obligated to transmit to central and local agencies must be legally spelled out.

Elaboration of clear and universally mandatory regulations dealing with accessibility of economic information is needed.

58. The number of industrial subbranch ministries should be limited in the future, and their role and functions should be changed. Ministries of this type should concentrate on industrial policy, creation of development conditions for enterprises, and especially on problems dealing with structural changes, export specialization, technical and organizational advances. Determination of the structure of industry management (types of enterprises, associations, combines and other groupings), as well as performance of comprehensive evaluations of economic organizations and their management personnel should be an important task of these ministries.

59. It is necessary to reorganize the scientific research support facilities of the ministries. Research and development units which should obtain the status of enterprises should be specified, and research and development institutes and research and development organizations with a high degree of adoption effectiveness should be strengthened.

60. The proposals contained in this section do not exhaust organizational changes within the system of central government agencies, accomplishment of which will prove essential. One should hope that debate and discussion of these major guidelines for economic reform will lead to further proposals in this area.

V. The Socialist Enterprise and Enterprise Work Force Self-Government

A. Organization of Management

61. The enterprise should be the basic organizational unit of the national economy, with the status of a legal entity, encompassing an organized work force and that portion of the property belonging to all the people assigned to this work force, a unit which, within the framework of a centrally directed economy and mandatory provisions of law (rule of law), should independently perform production and service activities.

62. The means of production of a state enterprise are the property of all the people. Enterprises should make use of this property independently, within the framework of regulations currently in force. The enterprise should constitute the basic subject of an economy operating on the basis of cost effectiveness, bearing full economic responsibility for its activities. This should apply both to production units for domestic and foreign goods distribution and scientific research, development and design units.

63. Production and/or service activities should be the task of the enterprise, for the purpose of generating the enterprise's income (or profit). Securement of agreements between the goals of these activities and the goals of society as a whole, as formulated in the 5-year plan, should be the economic policy task of government authorities. The enterprise should attain its goal by means of maximum efficient utilization of the production factors it possesses, through capital investment and modernization activity,

as well as by adoption of innovation processes in the area of technical, technological and organizational advances. Profitability (earning a surplus above costs) should be the basic condition of an enterprise's existence. Failure to meet this condition should constitute the basis for compulsory reorganization or liquidation of an enterprise in a manner specified by legal regulations.

64. Public service enterprises which, although not guided by the principles of generating financial profit, should seek to perform their designated task with the lowest possible costs, should operate in certain areas of production and material services, as well as in the nonproduction sphere.

65. Government agencies should direct enterprises with the aid of economic instruments, information means and the provisions of the law, as well as with the aid of assignment of specific tasks in precisely specified instances.

66. Enterprises should operate either as single plants, without entering into a mandatory grouping, or as multiple-plant or a grouping of enterprises (associations, combines).

The power to establish, liquidate and integrate enterprises should be possessed by the government agencies with jurisdiction over the given sector or branch of the economy. Public enterprises or organizations should also have the power to establish and integrate enterprises. These processes should be under government supervision within the scope specified by law. The Minister of Finance should maintain a register of enterprises and should specify the principles of maintaining and auditing an enterprise balance sheet.

67. An enterprise should be entitled to differentiate the scope of its goods and services, both by undertaking a new product mix and affiliating with enterprises from other subbranches.

68. An enterprise should be under the one-man management of the enterprise director, with the participation of enterprise work force self-government on the basis of principles specified in the provisions of the law.

69. The director should be appointed or dismissed (alternatively) by:

a) the superior agency in consultation with the self-government;

b) the self-government on the proposal of the superior agency;

c) the self-government presents a candidate on the basis of competition, who is accepted by the superior agency.

70. The overall performance of each enterprise should be periodically evaluated by the superior and oversight agencies. The criteria for evaluating an enterprise's performance should be specified by appropriate provisions of the law.

B. Enterprise Work Force Self-Government

71. Pursuant to the Constitution of the Polish People's Republic, work forces of enterprises have the right and obligation of participation in management of said enterprises. This participation can take place both in a direct and indirect form.

72. The work force should participate directly in management via general meetings of the employees of the entire enterprise or meetings of the employees in organizational units which are components of the enterprise.

73. The work force should participate indirectly in management of a state enterprise via enterprise work force self-government (worker council or employee council), elected by the employees in general elections, with secret, direct and equal balloting. The self-government should be responsible to the work force, present reports to it, and can be

dismissed by the work force by means of a vote. Individual members of the self-government can also be removed.

74. A supervisory council should be set up in groupings of enterprises (associations [zjednoczenia, zrzeszenia]) -- made up of representatives of the units overseeing the grouping, cooperating units (bank, representatives of suppliers and customers, consumer organizations, etc), as well as representatives of the self-government of the work force of the grouping's component enterprises, who should comprise not less than 50 percent of the council members.

75. The principles of operation of the work force self-government and supervisory councils, including mutual relations between them, should be specified within the framework of provisions of the law presently in force and the bylaws of the work force self-government and grouping's supervisory council. The bylaws of the work force self-government at the enterprise should be ratified by the employees at large by a referendum. The bylaws of the grouping's council should be ratified by the work force self-governments of the enterprises.

76. The rights and obligations of the work force self-government shall encompass the following:

a) presentation of an initiative, and submission of proposals and comments in all matters pertaining to the activities, legal and economic situation of the enterprise;

b) presentation of opinions in all matters pertaining to the enterprise's activities as well as its management, at the initiative of the self-government, at the request of the enterprise management and its superior agencies, as well as in other matters specified by provisions of the law;

c) passage of a determining resolution (or expression of agreement) in the following matters: production structure, organizational structure, annual and multiyear plan, appointment of director and all personnel policy, principles of compensation, labor regulation, organization of production, development plans, annual reports on enterprise performance, division of income and utilization of funds;

d) monitoring of enterprise activities and management.

77. Desirable for proper functioning of the self-government is its close cooperation with the party organization, trade unions and public organizations operating at the enterprise.

78. Persons participating as representatives of the work force in management of a state enterprise and association shall be responsible to the work force and shall bear responsibility on a general basis as persons performing a public function.

79. The legal relations between the director of a state enterprise and the work force self-government (supervisory council) shall be based on the following principles:

a) the director, being executor of the resolutions of the work force self-government (supervisory council), shall alone direct the activities of the enterprise, with consideration of the right to take risks as defined by specific regulations; he is responsible to the self-government and the superior unit for achieving the enterprise's assigned targets;

b) the enterprise director is not a member of the collective agency of work force self-government (supervisory council), of the general meeting, or of any other collective body;

c) the director may suspend execution of a resolution of the work force self-government (provisory council) if it is not in conformity with the provisions of the law or if execution of a resolution could do serious detriment to the public interest.

C. Economic System of the Enterprise

80. An enterprise shall develop its economic activities on the basis of its own plans, linked with the national economic plan (in conformity with the principles specified in Point 39), under conditions of genuine cost effectiveness analysis, guided by the principle of autonomous financing, that is, covering expenditures with its own monetary revenues. An important element in the operation of this principle is a good cash flow, which means that money at the enterprise's disposal is a sufficient condition for undertaking all economic actions. Only in this case can economic instruments play an active role in the economy. By controlling the amount of money at the disposal of enterprises, one can encourage or restrain their activities. This will demand, especially in the initial period (that is, in the period of movement to economic equilibrium), worsening of the conditions of acquisition of money by an enterprise.

81. Influence by central governmental agencies on an enterprise's decisions should take place on the basis of the national socioeconomic plan, which specifies the directions of development of the economy and the conclusions and tasks proceeding therefrom for economic organizations. Securing of realization of national socioeconomic goals should be accomplished chiefly with the aid of economic instruments, and in particular by determination of the following:

the principles and motivational systems, as well as instruments of employment policy;

prices, subsidies and encumbrances;

tax policy;

principles of granting loans as well as interest on fixed assets and working capital;

principles of goods circulation in foreign trade as well as acquisition and disposition of foreign-exchange funds;

surcharges, encumbrances and duties in foreign trade;

general provisions of the law, such as in the area of environmental protection, quality standards, location of enterprises, etc;

principles of establishment and management of funds at an enterprise;

appropriately high, differentiated penalties for failure to meet the terms of contractual agreements between supplier and customer, as well as indemnification, including cases involving the effects of failure of the higher-level agency to hold to fund limits;

in certain cases, quantitative production targets as well as fund limits.

82. The system of evaluating an enterprise and the motivation of work forces should be based on the principle of autonomous financing of operations and development activities, with funds made dependent on the level (improvement) of synthetic measures of management effectiveness (income or profit), according to the following alternative solution:

Variant I

Enterprise income, defined as the difference between cash revenues and expenditures proceeding from the payment of an enterprise's obligations to other enterprises, banks, as well as the state budget and local budgets, is divided into the consumed segment (work force funds, including payroll fund) and the accumulated portion (development fund). Prior to division into consumed portion and accumulated portion of income, contribution to the enterprise reserve fund should be made. The amount of contribution will be determined by a legal instrument. An enterprise will be able to obtain from the

reserve fund moneys for paying both external and internal obligations, that is, to its own employees, in case of occurrence of a shortage of funds.

The enterprise work force shall independently decide on division of income into four portions:

employee personal income fund (encompassing the payroll fund and enterprise bonus fund);

work force social fund;

housing fund;

enterprise development fund.

Variant II

Employee compensation should include basic wages, based on the individual's wage rate category, as well as participation in enterprise profit. Basic wages are charged to production costs.

Enterprise profit, defined as the difference between revenues and production costs (including payroll expenditures), after payment of taxes and other requirements, will be divided by the work force into the following:

work force enterprise profit sharing funds (for example, in the form of a bonus fund);

housing fund;

social fund;

enterprise development fund.

83. The following principle should be adopted: scientific research support units which enter into contractual relations with an enterprise for the performance of specified services in the area of scientific and technological advances or design activities, due to which economic effect has been increased in a measurable way, will participate in enterprise profit (or income).

84. The employee personal income fund in Variant I as well as the work force enterprise profit sharing fund in Variant II should be taxed if they exceed a specified degree of growth. The purpose of this is to ensure necessary incentives to generate the enterprise development fund.

One should also consider, as an alternative solution with the above variants, the advisability of determination by a higher authority of the minimum amount of funds (in relation to income or profit) allocated for further enterprise development.

85. An enterprise may receive subsidies and subventions from the central budget or from local budgets, designated for financing the enterprise's low-profit or unprofitable activities which should be maintained in this form out of important public considerations.

86. The development fund should be formed from depreciation allowances and profit contributions. The enterprise should make decisions on utilization of development fund moneys for:

a) capital spending of the renovation type (including limited-scale modernization), which should be financed with the enterprise's own funds, supplemented by bank loans;

b) capital spending on development (including general modernization), which should be financed by bank loans, with the mandatory participation of an enterprise's own funds.

In addition, development fund moneys should be designated for financing increase in working capital and activities in the area of scientific and technical, economic and organizational advances.

87. An enterprise should independently administer all funds which it generates. Repair and temporary shutdown of means of production should be financed under production costs.

88. An enterprise should obtain, for purposes of importing means of production, the authorization to purchase a specified quota of foreign exchange funds at the basic rate. In case of an increase in exports over the preceding year, an enterprise should be entitled to participation in increased foreign-exchange acquisition on the basis of specifically defined principles. An alternative solution should also be considered, especially extending into the future, which would permit enterprises to purchase additional foreign exchange at a higher exchange rate.

89. The contractual agreement should be the exclusive form of entering into obligations by an enterprise for the conduct of economic activity (manufacture of products, performance of jobs and services) for other enterprises, budget-financed units or physical persons. The contractual agreement should specify the economic liability of the enterprise for effects caused by failure to meet the terms of the contract pertaining to time, quantity and quality of delivered goods.

90. A condition for an enterprise to obtain means of production from other enterprises, at the times and in the quantities specified in a contractual agreement, should be the ability to make payment for these means, at an appropriate price.

91. An enterprise shall not make decisions contrary to the law in force. Observance by an enterprise of legal rules shall be monitored by government agencies.

VI. Stages of Implementation

92. Work on reform was initiated in a very complicated economic situation. Under these conditions the mode of implementation exerts a particularly strong influence on the effectiveness of reform. In light of experience both in this country and abroad, the thesis that a reform should be carried out in a comprehensive manner and as rapidly as possible is acknowledged to be correct. In programing the process of adoption of reform, one should particularly take into consideration that new economic mechanisms and organizational structures will have a positive influence on economic equilibrium and thus will influence the formation of favorable conditions for effectiveness of reform.

93. Maintaining the principles of comprehensiveness, one can distinguish three phases of work on a reform:

The first phase (up to mid-1981) should encompass, among other things, the following undertakings:

1) implementation of temporary improvements in the management and planning system, which increase the independence of enterprises and the role of financial performance;

2) creation of the possibility of establishing worker councils at workplaces as rapidly as possible, on the basis of previous regulations;

3) successive transfer to local government agencies of authorities in the area of small-scale industry and services, agriculture, construction, domestic trade, transportation, and increase in their financial-budget independence;

4) commencement of work on a supply price reform and appraisal of fixed assets;

5) actions aimed at debureaucratizing management of the economy, and especially departures from directive allocation, imposition of limits and administrative directives, as well as the elimination of intermediate levels wherever feasible and possible;

6) preparation--taking into account the results of the public debate and discussion--of an advanced draft of a comprehensive economic reform.

Drafts of detailed solutions should apply to the principal aspects of functioning of the economy (organization of management, planning, finance system, etc). These drafts should be completed by 30 June 1981.

The second phase (up to the end of 1981) should include the following:

1) preparation of the legal basis for enterprises to operate in the new system, for implementation of economic reform requires basic changes in legal regulation of the national economy.

It is particularly essential to draw up and ratify in 1981 the following laws:

on trade unions;

on state enterprise work force self-government;

on farmer self-government;

on state enterprises;

on cooperatives and their organizations;

on supreme and central government administrative agencies, including the Council of Ministers.

The principle should be adopted that draft laws be published and submitted to broad public consultation.

2) preparation of draft systems solutions pertaining to the basic sectors of the economy (industry, agriculture, construction, domestic and foreign trade, etc);

3) preparation of draft principles of operation of the central level of administration and management;

4) elaboration of draft adoption plans, specifying the basic principles of operation of various types of economic units, that is, enterprises, associations, local government agencies, as well as supreme and central authorities and administrative agencies;

5) arrangement of a system of currency exchange rates, customs duties, rates of depreciation, taxes, interest rates, as well as determination of the size of numerical economic regulators, taking into account the price reform to be adopted.

The third phase (1982) should include, among others, the following actions:

1) adoption of a supply price reform as well as economic parameters and regulators;

2) reorganization of the organizational structures of the administrative edifice;

3) reorganization of the organizational structures of the economy at the level of associations [zjednoczenia] and combines, establishment of voluntary associations [zrzeszenia], etc.

4) adoption of new planning principles and reformed principles of operation of enterprises and other economic units;

5) shifting by government administrative agencies as well as banks to operation under conditions of a new mechanism of functioning of the national economy (adoption of appropriate implementing regulations);

6) ratification of laws: on people's councils, on management of public property, on socioeconomic planning and geographic planning, as well as a statute on bank law and the Polish National Bank.

94. Implementation of institutional-systems changes up to the end of 1972 does not exhaust the program of reform of the system of functioning of the economy. Together with restoring equilibrium, there should occur sequential elimination of transition solutions (limits on funds, allocation distribution, directives) as well as full adoption of operating principles specified as so-called specific-purpose principles.

95. The adoption of changes in direction of the national economy should be preceded by an extensive explanatory campaign. It is essential widely to disseminate among the public the principles of the new system of functioning, particularly among work forces and managerial personnel. It is also necessary to undertake an extensive personnel training program, beginning in 1981. Personnel and sociopolitical activists should throughly understand reform goals and guidelines and should actively participate in their practical adoption. Utilization of a personnel survey--as stated in the decision of the Seventh Plenum--is advisable for adjusting criteria of management personnel selection to demands connected with implementation of reform. Criteria and procedures employed to evaluate an enterprise and specifically to assess the performance of enterprise directors should also be drawn up and adopted. Principles of appeal of evaluations should also be drawn up and adopted.

96. The government should organize a system of continuous observation and diagnosis of the state of management of the economy. Such activity should be conducted by appropriate scientific research units and institutions, and the results of their activities should be made available to all interested authorities and government administrative agencies as well as trade unions. The results should be utilized for verification and current improvement of economic mechanisms.

* * *

The economic reform guidelines presented above are of the nature of demands and proposals prepared by the Commission for Economic Reform, which made extensive use of suggestions, comments and opinions by the public pertaining to this matter. Following a general public discussion and debate, these major draft guidelines for economic reform are to be considered by the Ninth Party Congress and, following endorsement by the Sejm, are to be presented to the government for implementation. The Commission for Economic Reform is to continue its work on economic reform and is to prepare solution proposals for specific problems, monitor progress in adoption of reform measures and evaluate their results.

CEREMONIES MARK CEAUSESCU BIRTHDAY CELEBRATION

Committee Fete

AU261917 Bucharest AGERPRES in English 1857 GMT 26 Jan 81

[Text] Bucharest, 26 Jan (AGERPRES)--Nicolae Ceausescu, general secretary of the RCP, president of Romania, was celebrated on January 26, his birthday, by the members of the Political Executive Committee.

During the ceremony arranged on the occasion at the headquarters of the CC of the RCP, Ilie Verdet read the letter the Political Execuitve Committee of the CC of the RCP addressed to Nicolae Ceausescu on his birthday.

All those present warmly congratulated the RCP general secretary. Nicolae Ceausescu addressed those present thanking them for the wishes.

The Political Executive Committee of the CC of the RCP gave a lunch on Monday in honor of Nicolae Ceausescu on his birthday.

Ceausescu Address

AU261940 Bucharest Domestic Service in Romanian 1700 GMT 26 Jan 81

[Speech by RCP Secretary General Nicolae Ceausescu at a 26 January festivity in Bucharest organized by the RCP Political Executive Committee on his birthday--recorded]

[Text] Dear comrades, I want to express thanks for your wishes and congratulations on my birthday. I view them as a mark of appreciation for my activities among the workers class and the party to implement the program for building the comprehensively developed socialist society and for Romania's advance toward communism, for raising the people's material and intellectual well-being, and for continuously strengthening our socialist fatherland, its independence and sovereignty.

Indeed, our party is honorably fulfilling its role as the leading political force by pooling together the efforts of the workers class, peasantry, intelligentsia and all working people, regardless of nationality, of all our people towards a single target; namely, to unswervingly implement the party decisions and the law and to build socialism and communism. We may state that the wonderful achievements attained during the socialist period are the direct consequence of the work of our workers class which, led by its communist party, is unabatedly implementing the party-state domestic and foreign policies. All these achievements are due to the increasing unity among the workers class, peasantry, intelligentsia and other social classes around the RCP, a unity which has acquired additional scope within the framework of the Socialist Democracy and Unity Front.

We undoubtedly have great accomplishments in all areas of activity. In the seventies, our country became almost three times as strong from an industrial viewpoint. Agriculture and other sectors of the national economy also developed greatly. Science, education and culture expanded markedly; the people's material and intellectual living standard rose. We can indeed look back with satisfaction upon our achievements. However, we must also frankly state, and even at occasions such as this I feel compelled to add that we could have done better. Had we worked better--leaving aside international problems--just from the viewpoint of our activities, despite the international economic and political situation, we could have attained better results. This must be brought up, because we are now at the beginning of a new stage of our country's development and of implementing the 12th Party Congress decisions which, as is known, centered the activities of the party and all our people on the transition to a superior stage of development in Romania and on achieving a new quality in all sectors. Along this line, special measures are planned to improve supplies of raw materials and energy, to develop agriculture, and to increasingly promote science in all sectors of activity.

Precisely in view of the above strategic objectives established by the 12th Congress for the coming 5 years, we must make every possible effort to provide a sound foundation as of the very first days and year of the 5-year plan, in order to fulfill the targets of the 1981-85 5-year plan, to raise our fatherland to a higher stage of development, and to continuously raise the level of civilization, well-being and happiness of our entire nation.

I will not dwell on these issues now. In the next few days we will actually discuss the results of the previous 5-year plan; and a communique will be adopted and published this week. On this occasion we will also undoubtedly adopt measures to improve results this year and throughout the new 5-year plan.

Indeed noteworthy is the fact that our party has grown: currently it has over 3 million members. The number of workers in the party has increased. A spirit of combativeness has developed, and the organizational, political and ideological strength of the party has grown. We are dutybound to further strive to consolidate the party and its unity, especially in view of the fact that life has shown that only if the party fulfills its role as the leading political force and maintains its unity, discipline and determination at work and in ideology can it fulfill its historic mission in our socialist society. We have every reason to look confidently to the future and to assert that as in the past, we will strive to strengthen the party and its force, and will spare no effort in this respect. On this occasion, too, I want to reassert that I will spare no effort to strengthen the party and its leading role, its unity and discipline, its workers and its revolutionary character, as this is the guarantee for our resolute progress in implementing the program for building a comprehensively developed socialist society and a firm advance toward a communist society.

We have had good results in our international activities. We made efforts to develop our relations with the socialist countries, with developing countries and with developed capitalist states, and have worked to unswervingly assert the principles of full equality, respect for national independence and sovereignty, noninterference in internal affairs, and renunciation of the use and threat of force in settling international conflicts. It may indeed be stated that Romania has won many friends, sympathy and appreciation for its international policy of equality and cooperation among all states based on the above principles, for its consistent efforts to solve all conflicts solely through negotiations, and for its militant efforts to achieve security and cooperation in Europe, disarmament--primarily nuclear disarmament--and a new world economic order.

Similarly, our party has militated and consistently militates to develop relations with communist and workers parties, with socialist and social-democratic parties, national liberation movements and other democratic parties and forces, and with all anti-imperialist and anticolonialist forces, in the belief that by consolidating the unity and cooperation of all those forces--while respecting the diverse and specific conditions in which each party and political force is carrying out its activities--we will ensure a new type of unity and will unite the masses and all nations in a powerful channel toward a democratic policy of detente, national independence and peace. In the future, too, our party and state will act in the same spirit and with the same consistency as in the past.

As far as I am concerned, I want to assure the party and the Central Committee, to assure you, dear comrades, that I will do my best to further fulfill the mission entrusted to me by the party and people. I will always serve the cause of socialism and communism in Romania and throughout the world, and the interests of our people and their aspirations for a dignified, happy and free life. I will do everything in my power to prove that our party, and I personally, will always serve Romania's sovereignty and independence, and the struggle to make our country ever more powerful and equal to all free and independent nations in the world. I will spare no effort to help our party fulfill its mission, which is to unite the efforts of all working people, regardless of nationality, of all our people to implement the program for building the comprehensively developed socialist society, for advancing toward communism, and for raising the well-being and happiness of our entire nation.

We must all pledge to work unabatedly and fulfill any task entrusted to us by the party and people, to always serve the cause of socialism and of the people, of their freedom and happiness. [Applause] As for myself, once again thanking you for your wishes and congratulations, I wish you all success in your work, good health and happiness. On this occasion, too, I want to convey to our party wishes for increasingly great successes in all its activities, and to our people wishes for well-being, happiness and a long life. [Applause]

Ambassadors' Congratulations

AU261500 Bucharest Domestic Service in Romanian 1400 GMT 26 Jan 81

[Text] Today Comrade Nicolae Ceausescu, RCP secretary general and president of the republic, received USSR Ambassador Vasiliy Ivanovich Drozdenko, and Bulgarian Ambassador Petur Danailov Khristov at the latters' request.

The Soviet ambassador stated that he has the great honor of conveying to Comrade Nicolae Ceausescu warmest and most cordial congratulations and best wishes for health and success in his lofty activities on his birthday, on behalf of Comrade Leonid Brezhnev and of the CPSU Central Committee Politburo members. He expressed the desire of the CPSU leadership to continuously develop the relations between our parties and peoples, in their mutual interests and in the interests of the cause of socialism and peace.

Comrade Nicolae Ceausescu expressed thanks for the congratulations and conveyed to Comrade Leonid Brezhnev and to the CPSU leadership wishes for success in their work and in preparing and holding the forthcoming CPSU congress. Comrade Nicolae Ceausescu added that he fully shares the desire expressed by the CPSU Central Committee general secretary and leadership to continuously develop the relations between our parties and peoples and stressed that the RCP and Socialist Romania will do everything in their power to strengthen those relations, in their mutual interests and in the interests of the cause of socialism and peace. The meeting proceeded in a warm and comradely atmosphere.

The Bulgarian ambassador handed Comrade Nicolae Ceausescu a birthday message from Comrade Todor Zhivkov. The message conveys to our party-state leader warm congratulations and wishes for new successes in his work devoted to the Romanian people's progress and well-being, and to the cause of socialism and peace. It also expresses the conviction that the friendship and cooperation between our parties and states will increasingly develop and strengthen, in the spirit of the agreements reached between Comrade Nicolae Ceausescu and Todor Zhivkov at their recent meeting in Ruse and of all the decisions and conventions established on the occasion of Romanian-Bulgarian summit talks.

Comrade Nicolae Ceausescu expressed thanks for the message and conveyed to Comrade Todor Zhivkov warm greetings and best wishes. He expressed the hope that the close friendship and multifaceted cooperation between our parties and countries will expand and deepen in the interests of our peoples and of the general cause of socialism, detente and international peace. The talk proceeded in a warm and comradely atmosphere.

WORKING PEOPLE'S COUNCIL THESES REPORTED

AU231033 Bucharest AGERPRES in English 0900 GMT 23 Jan 81

["Theses of National Council of Working People for the Second Congress of Working People's Councils in Industry, Building, Transport, Goods Turnover and Finance"--AGERPRES headline]

[Text] Bucharest, 23 Jan (AGERPRES)--The organic unity between socialism and democracy, stresses the preamble of the document released today in Bucharest, proves to be one of the salient features of the Romanian political thinking and experience.

Under the direct guidance of the RCP, with the decisive contribution of its General Secretary Nicolae Ceausescu, an all-embracing and complex, unitary system of the country's government by the people has been created and is being continuously approved. It is made up of broadly representative bodies, at a national level and in socio-economic units, a political, economic and social democarcy of new type, which ensures the direct, permanent and systematic participation of the working class, of all working people, irrespective of nationality, in running the economic units, the scientific, cultural-educative establishments, the administrative-territorial units, the entire society.

The lasting support for the broad manifestation of the whole system of socialist democracy is the strong affirmation of working-class democracy. The replacement of the principle of single management by that of collective management, through the setting up of the working people's councils in all industrial enterprises and centrals and in other state socialist units, the extension of the competences and the growing share of workers in the composition of these bodies, the institutionalization of the general meetings as supreme forums of collective management and the promotion in recent years of the new economic and financial mechanism have allowed for the development of the workers' self-management and the consolidation of the self-administration, which has provided a favourable organizational framework for the ever stronger manifestation of the working class' leading role in the building of the new system.

The foundation of the National Council of Working People, has lent fresh, superior values to the ever stronger affirmation of the working class' role in managing the entire socio-economic life, in developing the working-class democracy and involving the entire people in exercising the state power.

After pointing out that the active and direct participation of the producers of material assets in the act of management, has brought about a general improvement of the activity of the economic units, of centrals and ministries, the preamble concludes by stressing that the second congress of the working people's councils in industry, building, transport, goods turnover and finance is called upon to debate in a high sense of working-class responsibility and endorse the necessary measures for enhancing the contribution of the collective management bodies in the economic and social units to the carrying through of the 1981 plan.

The first chapter of the theses is entitled "The Active Participation of the Working People in the Implementation of the Economic Policy of the Party, in the Fulfillment and Overfulfillment of the Single National Plan of Socio-Economic Development of the Country, in Ruling the Economic and Social Life". It comprises the tasks of the working people's councils regarding the development of the autochthonous basis of raw and auxiliary materials and energy bases, the better turning to use of the material and energy resources, the recovery, gathering and reuse of materials, the marked rise in the economic efficiency, the growing labour productivity, the rhythmical fulfillment of the physical production and of the plan tasks with the net production, the securing of the qualitative, technical level and performance of the products, the commissioning in the planned terms of all investments objectives, the efficient employment of the transport capacities, the affirmation of the technico-scientific revolution in all domains of activity, the attainment of the entire planned production for export, in the contracted structure, the securing of faultless quality, of high competitiveness of the exportables, the continuous cutting down of imports, while securing the building with autochthonous forces of the necessary machinery, installations and equipment for the smooth run of production and using better the big technical and human potential of the Romanian economy at present.

The lifting onto a higher plane of working-class self-management, of the role of the working people's collective in running the socio-economic life, the respective chapter of the theses shows, should be grounded on the strengthening of the economic and financial self-administration.

Every working people's council, every collective of a section or workshop should know what expenditures it takes to produce, what consumption and should know how to organize their activity so as to have the budget of income and expense account for the main instrument of the bodies of collective management in the application of the self-administration.

In realizing the budget of incomes and expenses, an important excedent should be ensured, apt to allow the units no longer to resort to loans which generate interests.

In the second chapter, entitled "Development of Working-Class Democracy, the Continuous Improvement of the Activity of the General Meetings and of the Councils of Working People- an Essential Condition of Fulfillment of the Programme Drawn up by the Party", it is stressed that in all socialist units the general meetings of working people should account for genuine forums of decision-making, of management of the working class, of plenary affirmation of the working-class firmness and exactingness, and the working people's councils should ensure the growing contribution of the working people's representatives to the managerial activity the steady application of the principle of collective management. This demands the development of a climate congenial for debates, the affirmation of the potential of thinking and action of all members of the council, the commitment of the staff of experts, of the commissions by domains to the elaboration in several variants of the solutions, the systematic consultation of the collectives in sections and workshops. The executive bureau, the director of the unit are bound to permanently keep abreast all the members of the council with the way of settlement of the problems facing the respective unit.

The third chapter is entitled "The Preoccupations Should be Focused on Man, Improved Working Conditions, Better Quality of Life".

After emphasizing the important achievements scored in the application of the programme of raising the quality of life of the population, the chapter shows that by virtue of their attributions, the collective management bodies shall concern themselves with the strict observance of the labour legislation as regards the provision of working conditions, with the application of the legal provisions on remuneration of the personnel according to the quantity and quality of work done, with the application of the most stimulative forms of material incentive.

The management councils in units, in close collaboration with the trade unions, are bound to judiciously use, with greater efficiency, the funds granted by the state for social actions, and the unit's own funds, according to destinations established by the general meeting of the working people. Measures shall be taken upon this basis for the improvement of the working conditions, while also seeing to it that the new investments should avail of every social condition necessary for a proper operation. At the same time, the working people's councils will closely see to the proper unfolding of medical assistance, to the health protection of the whole working personnel, while paying special attention to the women's and youth's working conditions, as well as to the fulfillment of their tasks in social insurance and pensions, leisure and balneal treatment in spas.

Exercising their law-conferred attributions, the management councils of the state socialist units are called upon to expand the housing construction and help, with their own forces, its speeding up.

The management bodies, the chapter concludes, together with the trade unions, are called upon to pay greatest attention to judiciously drawing up the collective bargaining agreements, instruments of bilateral, mutual commitment to the exemplary fulfillment of the plan tasks and the securing of social conditions at the level of full capitalization of the human, technical and material potential of the enterprise, of meeting in ever better conditions the material and spiritual needs of the working people.

The fourth and last chapter of the "theses" emphasizes the tasks of the working people's councils related to the development of the working people's councils related to the development of the working people's socialist consciousness, the moulding of the new man-builder of the new system.

CEAUSESCU ADDRESSES PLENUM ON DOMESTIC SITUATION

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[Speech by Romanian President Nicolae Ceausescu at the plenary session of the Working People's National Council on 20 January in Bucharest]

[Excerpt] Esteemed comrades,

The plenum of the Working People's National Council has discussed and adopted important decisions on socioeconomic development of our fatherland, on continuous expansion of workers democracy and on participation by the broad masses in running all fields of activity.

This plenum is taking place shortly after the conclusion of the 1976-80 5-year plan and at the start of the new 1981-85 5-year plan. We concluded the previous 5-year plan with outstanding results. Net production increased at an annual average rate of 10 percent, being 61 percent higher than in 1975, and overall industrial production increased at a rate of 9.5 percent. Likewise, important successes were obtained in raising labor productivity, which increased at an annual average rate of 7.2 percent. At the same time, agriculture also made substantial progress; agricultural production increased at an annual rate of almost 5 percent, being 27 percent higher than in 1975.

The other branches of the national economy also developed at an appropriate rate. Science, education and culture, which are significant elements of the entire socioeconomic development and the successful construction of socialism is Romania, also recorded a great upsurge.

In the past 5 years, we attained a volume of investments 67 percent higher than in the previous 5-year plan, which means an annual growth rate of almost 11 percent. On this basis, the forces of production recorded powerful development and fixed assets reached 1,800 billion lei.

In the last 5-year plan, we also expanded cooperation within CEMA, with other socialist countries, developing countries and developed capitalist states in all fields. The volume of our foreign trade has doubled at an annual rate of over 16 percent. All this has led to increasing the national wealth, social product and the national income, which increased 41 percent compared with 1975, at an annual rate of over 7 percent.

The outstanding progress attained in that period has led to increase in ther material and intellectual living standard of all our people. As is well known, real remuneration increased almost 29 percent, compared with the 18-20 percent envisaged by the 11th RCP Congress. Likewise, socialist trade greatly expanded in that period, with commodity sales through its network growing at an annual rate of 8 percent, so that in 1980 these sales were almost 47 percent higher than in 1975.

At the recent meetings with the party aktiv of Timis and Brasov Counties, at the meeting with first secretaries in charge of agricultrual matters as well as on other occasions I talked about physical consumption per capita, in kilograms, of various food products; therefore, I do not wish to dwell upon them now. However, the 47 percent increase in commodity sales for the entire 5-year plan strongly demonstrates the substantial improvements of our people's material living standard.

All these great achievements attained in the 1976-80 5-year plan, the first stage of the program to build the comprehensively developed socialist society, have raised Romania onto a new level of civilization. I believe it worthwhile to mention that Romania's industrial production increased almost threefold in the seventies; figuratively speaking, one could say that, from an industrial viewpoint, Romania has become three times larger and more powerful.

We have attained outstanding results in other fields, in the past 10 years also. Fixed assets increased 2.8 times and the number of working personnel 44 percent, namely 2.2 million more working people, which means an annual increase of more than 200,000 people. Labor productivity also increased almost twice. Commodity sales through the socialist trade network increased 2.17 times; services to the people over two times; the social product 2.33 times and the national income 2.36 times. The remuneration of working people increased 74 percent and the peasantry's incomes 140 percent. Likewise, the people's incomes from social funds have almost doubled. All this proves that the last decade--which marked the transition to implementing the program drafted by the 11th congress on building the comprehensively developed socialist society and ensuring Romania's progress toward communism--was successfully concluded, that all our people's lives have become richer and better and that the level of material and intellectual civilization has reached higher peaks, thus ensuring a powerful base for unswervingly implementing the party program. (loud applause)

Life and reality powerfully demonstrate the correctness of our Communist Party's policy, which creatively applies the general truths and laws of scientific socialism and the revolutionary materialist, dialectical and historical concept to concrete conditions prevailing in Romania. On the basis of good results attained and of the new realities, we can state that our Communist Party is honorably fulfilling its mission to lead the people along the road of socialism, communism, well-being, happiness and the continuous strengthening of Romania's independence and sovereignty. (loud applause)

The achievements attained in the past decade, particularly in the past 5 years, are all the more remarkable because, as is well known, the world economic situation seriously deteriorated in that period. The economic crisis has become strongly accentuated. The price of oil has increased about 20 times compared with 1970. The gaps between rich countries and poor and developing countries have become larger; one could say that the rich have become richer, by oppressing and exploiting the developing countries, while the poor are poorer. In that period, the rate of inflation in the developed countries was 10-15 percent; there are several countries where inflation has exceeded the 100 percent level annually.

All these aspects of international economic life--I do not wish now to refer to the political aspects in international life--have exerted a powerful influence on overall economic development and undoubtedly have had a certain impact pn our country's economy also. We must take resolute measures in 1980 to reduce material consumption, particularly the consumption of oil products. In view of the fact that oil prices have increased so much that oil processing has become unprofitable, we have even had to reduce oil processing to a certain extent. All this has determined that our achievements will be below the potential of our contemporary industry and economy. I will deal later with certain shortcomings in our own activity.

However, the outstanding achievements attained in spite of these conditions along the road of building the new social order are the result of the self-denying work of our workers class, the leading class in our society, the peasantry, intelligentsia, all working people, regardless of nationality, and all our people which are acting in close unity to unflinchingly implement the party program.

From the rostrum of the Working People's National Council, I wish to thank the workers class, peasantry, intelligentsia, all working people and all our people for the self-denial and spirit of high patriotic and communist responsibility with which they have implemented and are implementing the party's domestic and foreign policy. (loud and prolonged applause) I extend to all working people and all our people warmest congratulations and wishes for new successes in future activity. (prolonged applause)

I also deem it necessary to stress the important role played by the management councils of all industrial units and other fields of activity, by general meetings of working people and by the Working People's National Council, which have acted in the spirit of workers democracy, a revolutionary and communist spirit, have united all the efforts of the broad masses and have made a very important contribution to all these achievements. We thus demonstrated that this democratic form of organizing the economy and other fields of our socialist society, in which the working people directly participate in making and implementing decisions, represents a wonderful framework for the people's conscious management of their destiny, communism and well-being. (applause) Therefore, I would like to congratulate all management councils, the bodies of workers democracy and the Working People's National Council and wish them better work in fulfilling their high responsibilities in our socialist society. (loud applause)

Esteemed comrades,

We are entitled to be pleased with our achievements in the previous period. However, because we are revolutionaries and communists, we cannot overlook certain shortcomings, deficiencies and shortcomings manifest in the previous 5-year plan.

First of all, it is known that we did not attain the item-specified production in certain important products, which has raised obstacles to the smooth development of the production process and has influenced the overall development of our national economy. I must particularly stress the fact that provisions for oil production were not attained. On the contrary, oil production has even slowed down. Likewise, provisions for coal and other raw materials were not fulfilled, which has created a number of difficulties and required additional imports. Provisions concerning agricultural production were not fully attained either. Although the agricultural growth rate is quite important, we still have greater potential and failure to fulfill the envisaged agricultural production has had a negative impact on the food industry and other national economic branches and consequently has led to certain additional imports. In order to fulfill the 5-year plan provisions concerning the supplies of agricultural and food consumer goods to the people, we had to reduce and in certain cases even completely eliminate exports of agricultural products. Certain shortcomings were manifest in the field of investments; a number of important production capacities were not completed and certain enterprises did not attain the envisaged parameters included in their technical-economic indexes. All this has considerably slowed down the development of industrial production and the growth of national income. Other fields and enterprises did attain supplementary production so that the overall 5-year plan provisions were fulfilled; but we did not attain the envisaged industrial production surplus. Had we worked better, we could have attained a much larger industrial production surplus, hence also an increase in the national income and in the means available to our society to further ensure the country's overall development and increase in the people's well-being.

All this stems from a number of shortcomings in planning and running our national economy and in the fact that the spirit of responsibility and discipline was not up to the tasks entrusted to each sector and each party-state activist. In spite of the difficulties facing the world economy, we could have avoided certain negative influences if we had worked better, if we had shown greater exactingness and discipline and if there had been no manifestations of economic liberalism and self-complacency, which have diminished the results of our activity.

It is necessary now, when we are drawing the activity balance sheet for the previous 5-year plan, to openly discuss all shortcomings, deficiencies and mistakes and to take resolute action to put an end to negative states of affairs as soon as possible.

It is necessary to draw conclusions both from positive and negative results so as to act, with higher responsibility, to properly organize activities in all fields, to rapidly eliminate shortcomings and to raise all activity onto higher levels, thus ensuring unflinching implementation of the 12th party congress decision.

I believe we have everything necessary for that goal; I believe that the working people, management councils and the National Council, under the leadership of party organizations and the Central Committee, have everything necessary to ensure an improvement in all our activity.

Comrades, In accordance with decision of the 12th congress, we have entered a new stage of socioeconomic development. It is necessary to do everything possible to attain a new quality in all sectors, to continuously develop the forces of production and to improve social relations; we must also do all we can to ensure that during the current 5-year plan our country surpasses the stage of a developing socialist country and reaches the level of the average developed country. This presupposes an overall development of our society and a gradual increase in the people's level of material and intellectual civilization and well-being.

We have started implementing the 1981 plan, the first year of the 1981-85 5-year plan. The plan provisions were discussed in detail last year and at the current plenum of the National Council of Working People these last 2 days, and the necessary conclusions were drawn concerning what has to be done to commendably fulfill this year's tasks, thus laying a lasting foundation to fulfill the entire 5-year plan and the strategic targets established by the 12th party congress.

We must must give priority to increasing the production of raw materials, particularly oil, coal and other energy sources, and to ensure greater development of agricultural production, because these two branches are priority branches and have a decisive role in developing our economy and society and fulfilling the entire 5-year plan. It is necessary to pay greater attention to the activity of the working people's management councils in all units in the respective fields, working people in those fields must pool their efforts to efficiently use the means alloted by the state and all our people to the respective priority branches in order to fulfill the established production and even attain supplementary production.

We must do everything possible to ensure that 1981 marks decisive progress in production of raw materials, particularly oil and coal, and in agricultural proguction. You are familiar with measures established both for the raw materials sector and for agriculture; therefore, I do not wish to dwel upon them now. I would like to mention again that the Ministry of Mines, Petroleum and geology and the Ministry of Agriculture and Food Industry are dutybound to resolutely eliminate shortcomings manifested in previous years, including 1980, and to unswervingly apply the measures aimed at attaining the envisaged production of raw materials and energy and the planned agricultural production.

Likewise, it is necessary for other producing industries--metallurgy, chemistry, machine-building and construction materials-- to resolutely act to attain established production programs and plans. This plenum has discussed and reported in detail on measures aimed at fully ensuring the necessary materials and substitutes for all sectors, in order to attain the entire production envisaged for 1981.

In view of the great importance devolving on ensuring appropriate technical-material supplies, it is necessary to pay greater attention to good cooperation among enterprises. We must ensure a continuous process of technical-material supplies in accordance with consumption norms and we must do everything possible to ensure their production is being attained rhythmically and normally in all units. In this respect, it is necessary to pay greater attention to production sharing with CEMA member countries, other socialist countries, other states and various foreign companies and firms, on the basis of complete and balanced compensation.

You are familiar with the 1981 plan provisions. Therefore, I will not refer to them in detail now. We have everything necessary to attain an industrial production increase at an average annual rate of about 7 percent. As a matter of fact, all ministries, management councils and working people present at this plenum have declared that they have the necessary conditions to fulfill and even overfulfill plan provisions; they pledged to do everything possible in that respect.

We must pay unswervingly attention to attaining item-specified and net production. We must understand that we need not attain overall production by producing more in certain sectors and less in others. When we established the plan for various branches and sectors we took into account the requirements for harmonious correlation and development of the entire national economy. Failure to fulfill the established item-specified production in a given sector creates an imbalance and causes difficulties in other fields of activity; sometimes, a real "chain of disruptions" is created following nonfulfillment of item-specified production in a single sector. That is why it is necessary for all ministries, centrals, enterprises and their management councils to take the required measures to unflinchingly fulfill the established item-specified production. By attaining the item-specified production we create conditions to fully attain the net production provisions.

I draw attention to the fact that we must not exceed production provisions unless we have additional export orders. We must not permit any other overfulfillment, because such a production overfulfillment in one or another sector presupposes additional consumption of raw and other materials which disrupts activity in other fields.

We must aim at attaining the item-specified production for varieties of productions, as has been established. Overfulfillment of plan provisions which requires additional consumption of raw and other materials can only be attained with special approval, on the basis of export orders. Of course, I am not referring to agricultural production, which can grow as much as it wants. Likewise, we do not limit the production of oil, coal and raw materials. I mainly refer to processing. In the raw materials sectors we permit unlimited production overfulfillment, with the appropriate consequences concerning profit-sharing.

It is necessary to act responsible and to strictly conserve energy, fuel and raw and other materials consumption and to continue to take firm action to reduce consumption. We must take into account the level of current consumption norms, which is the maximum one, and we have the task and obligation to do everything possible to find new ways and means to reduce consumption.

From the report presented here today on discussions in the chemistry sector, it appears that in Borzesti we produce soda consuming 0.87 kg of quicksilver per ton while in Vilcea we consumed 0.33 kg per ton, that is 2.5 times lower. This is just one example. There are many others. Such examples are apparent in other fields too. It is necessary to resolutely proceed to generally apply positive results. We prefer to halt the production process rather than consume 2-3 times more raw and other materials for the same product. In chemistry, there are enterprises which consume twice as much oil and energy than other enterprises. We have cement factories which consume twice as much energy for each ton of cement than the new factories. Similar examples can be found in metallurgy, machine-building and all over.

It is therefore necessary to resolutely proceed to identify the smallest consumption attained thus far and, before talking about new research subjects, let us concentrate all forces on introducing such reduced consumption in the entire economy. Let us take organizational measures to ensure that the good results attained in all fields are generally disseminated and applied. Only thus will we be able to substantially reduce fuel, energy, raw and other materials consumption.

This year we will fully apply the standardization of materials and products, which has been approved for certain sectors and will be finalized in the coming 2-3 weeks for the other sectors. We discussed the subject of standardization in detail, hence I do not wish to dwell upon it now.

I would only like to draw attention to the fact that we must take resolute measures to unflinchingly apply the established norms and standards established on the basis of standardization. We must consider the standardization achieved thus far as a first step, just a start, and we much continue to act to increasingly reduce the number of materials, parts and subassemblies produced in our country as a result of the chaotic development of the past. The attainment of proper standardization in all fields will lead to greater reduction of material consumption and an increase in labor productivity and economic efficiency and will facilitate the domestic production of a number of required materials and products, thus reducing imports.

It is also necessary to resolutely act to better utilize raw and other materials, in order to attain greater production from each ton or raw and other materials. I have discussed this issue on many other occasions. For each ton of metal, cotton or other raw materials, even for each ton of oil, we obtain a production value 2-3 times lower than in other countries. By appropriately utilizing metals, oil, fibres, wood and other products, we can attain from the same quantity a substantial increase in production value, hence an increase in our efficiency, profits and national income.

At the opening session I called your attention to the issue of utilization of raw and other materials. The management councils pledged to observe the norms stipulated in the plan, but those norms are far lower that international standards. We have great untapped reserves for increasing metal extraction indexes and obtaining greater quantities of rolled steel, and at the same time for reducing coking coal, fuel and energy consumption per ton of metal. This applies to the metal processing industry, the machine-building industry and all metal-working sectors. However, similar tasks are also established for the chemical and light industries, for construction meterials, timber, and so forth. We must resolutely concentrate on rationally and economically utilizing raw and other materials.

Special attention must be given to the technical and qualitative level of products. We have achieved good results, but there is still room for improvement. Let us not for a moment forget that in this area any delay, be it even of a few months, involves a decrease in competitiveness in international markets. Technological development is such that it demands continual efforts to improve quality and production and to work out new technological methods in all areas. It is on this matter that we must focus the work of working people's management councils, research personnel in research and design institutes, and production units. Personnel must concentrate their efforts on the key problems of each sector and branch of activity.

Special attention must be paid to recovering and reutilizing materials, parts and various subassemblies. There has been mention here of what is planned in this area for this year. I want to call your attention to the fact that the plan provisions, supplemented by later measures and pledges, are in many sectors still below the level of international achievements regarding recovery and reutilization of raw and other materials. While endeavoring to implement the provisions established, we must find new ways of increasing volume of reconditioned materials, parts and subassemblies. The management councils and all working people must play a decisive role in this respect. We must encourage initiative by the workers class, engineers and technicians, who have proven that they are capable of solving the most complex problems. I am convinced that, as of this year we will accomplish great things in all those areas, thus demonstrating that our working people are devotedly fulfilling their responsibilities as owners, producers and end users; that is, as masters of their country and its national wealth, of everything that is accomplished in Romania. (loud and prolonged applause)

We discussed investment issues at the Central Committee plenary sessions and at meetings with party aktivs. The plan dictates that we concentrate on a limited number of projects, so that everything scheduled for this year can be commissioned this year. Almost all investment projects scheduled to be commissioned this year were started in previous years, and some of them should have begun production some time ago. Let us endeavor to put into production all the projects planned. We will not begin work on any new investment projects under any circumstances--with the exception of several facilities for processing certain recoverable materials, and for developing the raw materials and food industries; those will make up only a few percentage points of the total volume of investments. We do not plan to begin many projects next year either, in view of the fact that projects already under construction take up the 1982 investment volume and to a lesser extent that of following years, since some investment projects do take several years to complete. Practically speaking, we may say that we have investment projects underway for 2 years. I want to warn the ministries, centrals and enterprises not to come up with any new development suggestions; we have enough production facilities and capacities that are not utilized to the maximum. All machinery in stock must be erected; not only imported machinery, but that which is locally-produced as well, machinery which is worth over 16 billion lei. This year will be a decisive one in this respect. Let us pay greater attention to ensuring that existing facilities work satisfactorily, that planned parameters are attained, and that maintenance and overhaul operations are performed on schedule. These are essential issues for increasing production, profitability and economic efficiency.

In the past few days I have seen the results of the 1980 plan in the chemical industry. I noted that, due to the fact that certain units did not produce, fertilizer production, for example, fell short of 1979 levels. This was not due to a failure to commission new production facilities, but to a malfunction of existing ones. This situation was not noted in the chemical industry alone, but also in that of construction materials and other sectors. Although the machine-building branch as a whole recorded high rates of production, some of its sectors regressed. The same happened in the metal-processing industry. I am stressing this point to call attention to the importance of proper maintenance and running of installations,and of overhauls on schedule.

We have a huge reserve of fixed assets, modern machinery and equipment. It is essential to properly operate and maintain this equipment and to perform general repairs; this is in fact even more important than building new facilities. Hence, all measures established on general repair schedules and on securing spare parts must be implemented. General repairs must be treated with the same thoroughness as new investment projects.

In the construction area, standard designs and materials must be consistently utilized. These questions have been discussed at length and hence I will not now dwell on them. I want to call your attention particularly to the importance of building housing projects in all counties on the basis of standard designs. This is a must for meeting the working people's requirements, and also for ensuring stable manpower and smoothly running socio-economic activities. The transport branch also requires resolute measures to efficiently utilize the means at our disposal. Railroad cars, vessels and automotive means of transportation must be used to the optimum, and no railroad cars must be allowed to run empty or insufficiently loaded. What was decided in this respect at the Political Executive Committee must be firmly implemented. Common fleets of municipal means of transportation must be better organized to ensure that trucks are adequately loaded with products of the town's enterprises or of a given sector. The right and obligation of militia men to stop trucks insufficiently loaded will also be sanctioned in the law. We decided that this year we will attach trailers to all vehicles, so that haulage capacity can be utilized to the maximum, thus also reducing fuel consumption and manpower. In fact, we have already begun reducing economic units' vehicles by about 60,000-70,000.

The same applies to sea and ocean-going vessels. Only half the capacity of ocean-going vessels is utilized, and the situation is almost identical in the river vessels sector. At the same time, we charter vessels which cost us hundreds of millions of dollars every year. Hence, we must take every necessary measure to appropriately utilize the vessels we have acquired in recent years. Generally speaking, we must take resolute measures to further optimize transport, to eliminate unnecessary material transport from one end of the country to the other by improving supplies and transport. This will permit us to better utilize our means of transportation, reduce fuel consumption and transport costs.

At the same time, both in industry and in other sectors, we must improve labor organization and thus increase labor productivity to a greater extent. Although increases in labor productivity are fairly satisfactory, in view of the fact that the volume of fixed assets almost trebled, a mere doubling of productivity shows that equipment was not optimally utilized. This year and throughout the 5-year plan we must make every possible effort to better organize labor and production, and to introduce mechanization, automation, computers and robots in production processes. This must be accomplished in the sectors in which it is really necessary, so as to rationally employ manpower and replace it wherever possible. Resolute steps must be taken to further cut back nonproductive personnel and to transfer such personnel to production. Similarly, greater attention must be given to improving the professional and technical training of working people, recycling personnel and raising all workers' level of knowledge. Management councils, ministries, the Ministry of Education and other bodies, including the Ministry of Labor must pay due attention to this decisive facet with a view to increasing labor productivity, raising the qualitative and technical level of production and promoting our entire socioeconomic development. As is known, the decisive role in production and in all areas of activity is played by people, by their level of professional and technical capabilities, as well as by their revolutionary and socialist consciousness. By acting in this spirit we will truly make the wonderful potential of our workers class and people the guarantee for the successful implementation of the 12th party congress targets for the current 5-year plan. [loud applause]

Esteemed comrades, resolute implementation in the new economic mechanism and intensified workers' self-management and self-administration are particularly important for a sound leadership of all activities. The working People's Councils and general meetings must become genuine reflections of greater self-management and greater responsibility by each collective for appropriate management of the means entrusted to it by the people. Each collective must make profits for society, must achieve the greater possible profitability, and must provide the means for expanded reproduction and for continuous economic development.

The possibility given working people to share in profits must enhance their responsibility as owners, end users and producers in the rational utilization of all the means entrusted to them. Each collective of working people must be aware of the fact that a further increase in national wealth, in the means of development and defense, and in raising the material living standard, is linked to economic efficiency and to greater increases in profitability and returns.

An important role is incumbent on financial bodies, which must fulfill their tasks to a greater extent and with a greater sense of responsibility.

As is known, since the beginning of 1981 we have been applying measures on updating and coordinating--on the basis of economic principles--production prices and delivery prices to socialist units, as well as production, contracting and purchase prices in agriculture.

Due attention must be paid to optimally and consistently implementing the law and measures estaolished in this area. By ensuring profitability in all sectors and basing all activities on economic principles, we will stimulate production to a greater extent, will increase efficiency and net production, and will rapidly develop our national wealth and the people's well-being. All ministries must take measures to optimally complete this operation of vital importance for self-management and self-administration, and for increasing economic profitability and efficiency.

Esteemed comrades, simultaneously with fulfilling the production plan, all units and ministries, foreign trade enterprises and the Ministry of Foreign Trade and International Economic Cooperation must give priority to production earmarked for export, to exports. We must intensively expand our cooperation within CEMA and with other socialist countries. I spoke about this at the Central Committee plenary session and I will not now ellaborate on it. We must expand our economic exchange and cooperation with developing countries and with developed capitalist countries. All our economic exchanges must be based on the principles of equality, equity and mutual advantage. Each collective of working people, the central bodies, the Ministry of Foreign Trade and the Ministry of Finance must ensure a balanced foreign trade, which should help even out our balance of trade and payments, and permit us to repay our foreign debt as fast as possible.

Concerning imports, especially imports of machinery and equipment for freely convertible currency, we must ensure complete compensatory exports of machine-building products. We do not wish to reduce our foreign trade or economic exchanges with other states; however, we do want to achieve a balanced trade, by securing compensation exports for the necessary payment funds.

We must resolutely apply the measures established for cutting back imports of materials, parts and equipment. Any import of materials, parts and equipment must be backed by compensatory exports, and payment funds must be secured in advance from the above mentioned sectors. Under no circumstance will we allow imports which are not backed by compensation exports or for which payment is not ensured. We do not want to take out credits under any circumstance. I want this to be quite clear.

All ministries and economic units must grasp that foreign trade and international production sharing activies are a necessity for our country's socialist development. However, such activities must be based on the above mentioned principles, on an even balance of trade and payments. This is one of the essential issues of our economy, and I believe that the National Council of Working People must obligate all ministries and units to unswervingly follow this line.

Esteemed comrades, the 1981 plan features important provisions on increasing incomes and the living standard. You are familiar with the measures established on supplies of agricultural produce and foodstuffs based on the principles of county self-management and self-supply. Agricultural and foodstuffs production must be completely fulfilled. We will resolutely implement the principles of socialist equity and ethics in all areas. We must implement the ratio established between high and low incomes and among the various branches, and must consistently apply the principles of socialist ethics and equity which are essential for our society and its continuous progress. We must not forget for a moment the basic principle in our socialist society, according to which each person must give society his best and receive only in relationship to his work and to what he gives society. No one can expect or will receive more than he has produced; no one can live without working or at the expense of other people's work in our socialist society. (loud applause)

In view of certain negative situations noted last year in certain sectors, especially in the mining sector, I find it necessary to call your attention to measures of labor safety and safety control, and to the need for continuous endeavors to protect people's health and lives. In this respect, the National Council of Working People, ministry leadership, trade unions and the Labor Ministry must act with a greater sense of responsibility and consistently apply the law and measures established by the party and government.

In accordance with the plan, commercial units must ensure regular consumer supplies and eliminate the negative situations noted in this area. They must strengthen order and discipline, and the sense of responsibility of working people employed in this important sector.

All consumer-goods producing ministries must necessarily ensure fulfillment of the entire range of the itemized production plan. We must also pay greater attention to small-scale industries, which as of this year are expected to meet certain consumer requirements and even to manufacture certain small-scale production items--not mass production--for industry.

I want to particularly stress the need to pay greater attention to services. In the previous 5-year plan the rate of growth of services fell short of the rate of growth of retail consumer sales, which was a totally abnormal situation. Hence, all industrial units subordinated to People's Councils or to cooperatives performing services must seriously examine their programs and take measures to achieve at least the plan provisions. Within a relatively short period of time--2-3 years--we must completely eradicate our backwardness in the area of services. We have all the necessary conditions for doing so.

Similarly, I want to call your attention to the need for greater care for the working people's health. Our medical and other bodies active in this area must better fulfill their tasks and role in health protection, in the healthy development of all our people.

Those were some of the issues I wanted to raise at our plenary session. I want to stress that in 1981 we must strive to improve all our activities. We must lay sound foundations for fulfilling the entire 1981-85 5-year plan, for implementing the second stage of the party program on building the comprehensively developed socialist society and on Romania's advance toward communism, for improving the people's well-being and for continuously bolstering the fatherland's defense capabilities, independence and sovereignty. (loud and prolonged applause)

Dear comrades, our plenary session has decided to convene a congress of working people in the second half of May, and to begin right away general meetings of working people designed to thoroughly prepare for the congress, which will be an event of great significance in the life of our socialist society and in the development of workers' democracy in Romania.

Of great importance is the decision to incorporate foreign and domestic trade units, other sectors, and the financial sector in the congress and in the National Council of Working People. As I said when the above suggestions were endorsed, I hope that participation in the activities of the working People's Council will have a positive impact on enhancing the sense of responsibility and revolutionary workers' spirit prevailing in those important sectors of our national economy. By participating in the proceedings of the National Council, they will have to take an active part in all economic activities, in a lofty communist and revolutionary spirit. (loud applause)

The food industry and forestry departments will also benefit by incorporation in the National Council of Agriculture, in view of the close links between those sectors and agriculture, and of the need to better coordinate work in those areas.

In this spirit, we should perhaps consider taking more general measures to improve management of the land stock. I spoke in Brasov about the responsibilities of the government and the Ministry of Agriculture. We should perhaps establish a national commission attached to the government or to the State Council designed to ensure a uniform and strict management of the entire national territory, and thus eliminate waste and careless handling of the land, which is the decisive means of production for the life and development of our society. (loud applause) I would suggest that, on behalf of the National Council of Working People, we ask the party Central Committee and the State Council to examine this issue and report their decision to the National Council of Working People. (loud applause)

Through the above measures, we hope to incorporate all economic branches into two strong, industrial and agriculutral sectors. This will provide a better organization and more intensive participation by the working people in managing all areas of activity, the entire socioeconomic life of the country. We can thus forge a uniform, democratic framework for discussing all the domestic and foreign issues of our socialist society.

A very important role is played in this respect by the Socialist Democracy and Unity Front [SDUF], which permits organized participation in political life by all citizens who are not RCP members. Within the SDUF, working people of all nationalities, all our people can act under the political leadership of our Communist Party and in complete unity to consistently implement the party's domestic and foreign policies. Precisely this unity of all our people constitutes the guarantee for our fatherland's resolute advance along the bright path of socialism and communism, of well-being and happiness. (loud and prolonged applause)

Having established such a framework, we must now consistently work to improve the leadership and planning of all socioeconomic activities, to achieve better organization and more efficient supervision, and to enhance the responsibility of all leadership bodies for fulfilling the tasks entrusted to them.

The general meetings of working people will have to examine all activities to date in a critical and self-critical spirit, and to establish measures for the immediate future. Every possible effort must be made to improve the activities of the working people's councils, to increase their responsibility and role in economic management and in leading the entire society. At those general meetings, along with discussion of the theses that will be published, the working people must also examine measures to improve the activities of the councils, including those of the National Council of Working People.

The May congress, which will mark an event of great importance for the democracy of our socialist society, will incorporate 11,000 working people, party and state activists, of which 3,500 will be workers and foremen directly employed in production. This means that three times as many workers will participate in this congress as compared to the first congress. This marked presence of workers at the working people's congress highlights the decisive role of the workers class in our socialist society, and the fact that it is continuously fulfilling, in an organized manner, its role as leader of our nation along the path of socialism and communism, led by the Communist Party. (prolonged applause)

By forcefully asserting the role of the workers class, the general meetings and the working people's congress will raise our socialist democracy to an even higher level and will further consolidate the party's leading political role in all areas--the guarantee for Romania's resolute advance along the path of communism. (loud and prolonged applause)

The ministries and other central bodies and their management councils must draw conclusions from working styles and methods to date and from the failings noted, and must take all necessary measures to improve their work, eliminate bureaucracy and transfer their activities to the lower echelons, to plants and factories, among the working people. Only among the working people, in close coordination and together with them, can we ensure fulfilling our fatherland's development program. (lively applause)

The State Planning Committee, the Ministry of Technical Material Supply and the Ministry of Finance must show greater responsibility and judgement, and provide effective solutions to the numerous problems raised by the development of our complex economy. Those bodies will have to improve their working style and methods, and must also transfer their activities to the units. Planning and supply are not activities that can be run from an office. Financial problems cannot be solved in Bucharest, but at industrial and agricultural enterprises, on site. That is where all planning, supply and financial activities must be transferred! Once again I want to stress that, as they are now part of the National Council of Working People, we plan to radically change the working style of methods of those important sectors. (loud applause)

Generally speaking, in accordance with the law and the Constitution, the government in its entirety is responsible for better performance in all sectors. It must impart to the activities of all ministries and other state bodies a revolutionary, workers spirit. Similarly, the Central Committee apparatus, its Secretariat and other leadership bodies must also increase their efforts, bolster responsibility and supervision and become more strict, they must never accept justifications for violations of laws and party-state decisions. (loud applause)

Along this line, important tasks are naturally incumbent on our Communist Party bodies and management councils, they must ensure in all areas permanent implementation of the party's role as the leading political force in the entire society. This month, on three occasions I have mentioned that the leading role of the party is not an abstract concept or a slogan for red letter days, but must materialize in the daily activities of each organization, each party committee and each communist. Only in close connection with the workers class and with all working people, regardless of nationality, can our party successfully fulfill its historic mission. Let us not forget that by joining the revolutionary, vanguard party of the workers calss, the communists consciously pledge, of their own free will, to struggle for the victory of socialism and communism in Romania, for the people's well-being and happiness, for the fatherland's independence and sovereignty, and for international peace and cooperation. (loud applause) They join a militant organization and hence must act as revolutionary strugglers. I have repeatedly stated that the path we are following, the program adopted by the 11th congress, required work and sacrifices. We took a strenous road toward a communist society. Let us raise our fatherland onto high peaks where none have gone before! On this road let us always look forward and let us always resolutely struggle against what is old and no longer in step with the new stage of development, let us promote what is new in all areas; only by acting as revolutionaries can we raise our country to the bright peaks of communism! (loud and prolonged applause)

Everything we discussed at this plenary session constitutes equally binding tasks for the town and county party committees. They will have to take measures to ensure consistent implementation of all laws and party decisions, so that in each county working people employed in industry, agricultrue and other sectors will work as one to fulfill the socioeconomic development plan and ensure our fatherland's general progress!

We must intensify political-educational activities designed to shape a new man, a conscious builder of the new social system. We must permanently base revolutionary education on our concept of life and the world, which is dialectical and historical materialism: Let us not for a moment forget that we must resolutely struggle against the ideas of the bourgeois-land owners' system, against outdated situations, and against ideas coming from abroad. Let us develop a spirit of revolutionary, patriotic pride, a spirit of resolute struggle against everything that is old! Let us develop pride in being a communist and a revolutionary, in participating within our system in building the most just and humane society in the world: the socialist and communist society!

We do have many shortcomings and failings. However, socialism is mankind's golden dream! The failings recorded are in many ways inherent; they are, however, also due to people's mistakes. Socialism is built with people, such as they are, with their failings and shortcomings. But life shows that socialism has accomplished huge achievements within a short historical period. It has eliminated once and for all man's exploitation of man and, in step with the development of production forces, is forging new relations of equity and equality among people, a new humanism. Everything that has been achieved under socialism is devoted to man, to his freedom and happiness! Such is socialism! We will even give our lives for socialism, should that be necessary! (loud applause and cheers; long chanting of "Ceausescu-RCP!") Dear comrades, let us strive to be worthy of our great responsibilities to the party, the people, the bright future of our fatherland, the cause of socialism and communism, and the cause of peace and cooperation. (loud and prolonged applause)

ECONOMIC STATISTICS FOR 1976-80 PERIOD SHOW GROWTH

AU260940 Bucharest AGERPRES in English 0915 GMT 26 Jan 81

[Text] Bucharest, 26 Jan (AGERPRES)--In the recently concluded quinquennium (1976-1980), the ratio between the economic growth and the population growth in Romania was 7:1, and the national income grew more rapidly than the social product (8 percent as to 7 percent a year). In the country's industry, the net production for the first time outgrew the global production (10.6 percent as to 10 percent). The effect of firm political orientations applied at a macro-economic level with a view to raising the general efficiency is thus increasingly obvious. At a time when numerous countries have to revise their plans, faced with phenomena of stagnation or inflation, Romania has a homogenous and unitary economy within which priority development has been recorded for many years with certain branches and sub-branches--machine-building, chemistry, metallurgy, electrical engineering, computation technique--which, by their very nature, are promoters of technical progress. In all domains, highly efficient technologies are being applied, more competence is manifest, with most favorable influence on labour productivity. Thanks to these measures and to the new economic and financial mechanism inaugurated a year ago, the Romanian economy proves able not only to stand the world conjuncture pressures, but also to continue its vigorous growth, successfully coping with the main command of ensuring the stready improvement of the citizens' quality of life. The statistics about the past quinquennium offer in this respect too, telling comparisons. The population's total incomes have risen from 247 billion lei in 1975 to 363 billion lei in 1980, at an annual rate of 8 percent. The net remuneration too, rose by more than 7 percent a year. All this is the more telling considering the fact that the prices with the staple consumer goods and with the services rose by only 9 percent throughout the quinquennium. Hence, the real remuneration--the reference index for the population's purchasing power--rose by some 29 percent. Concomitantly, the cooperative peasants' incomes rose by 30 percent, and the population's incomes out of social consumption funds--by 40 percent. Illustrative values were recorded also in another compartment which is telling of the living standards--consumption. In 1980, the per capita consumption in Romania was of 62 kg meat, 132 litres milk, 28 kg sugar, 140 kg vegetables, 62 kg fruit, 29 sq.m. fabrics, 3.5 pairs of footwear. As to the calories, the consumption in Romania is one of the first ten in the world (3,000 calories/capita).

REAGAN COMMITTED TO 'NEW APPROACH', 'NEW MEDICINES'

AU261737 Belgrade BORBA in Serbo-Croatian 25 Jan 81 p 4

[Vlado Teslic commentary: "The World This Week: New Beginning"]

[Text] President Reagan and his numerous followers who triumphantly conducted him to the White House, wanted a solumn inauguration, managed in the best Hollywood manner, to erald something more than a change of administration and to mark a turn in the economic development and politics as well as the philosophy of American society.

Although it was held under the heavy nightmare of the last act of uncertainty about the freeing of the hostages, the first night's performance was successful, but everything else has been left under a large question mark.

A significant advantage of the American presidential system lies in the fact that it makes possible "a new beginning" every 4 years, a new beginning in the name of creating "a strong and progressive America." But then the disillusionment is all the greater when it is concluded that the country is not fulfilling the ambitions of its president and that the powerful forces and interest groups, which are active in the country, are pulling backwards, as not only a "weak" Carter but in his time also a "strong" Eisenhower complained about with his famous lament on the influence and activity of "the military-industrial complex."

President Reagan naturally has started with the best wishes not only of his countrymen but also the largest number of other countries. The world as a whole not only sincerely wants a strong and progressive America, but also its active engagement in the efforts for peace and for progress of the international community as a whole.

It is an indisputable fact that the United States, as well as the entire world, faces great economic problems. The world's greatest economic power is living under the effect of the longest and worst inflation in history. That fact unfavorably affects both U.S. domestic life and international economic relations. President Reagan is apparently firmly committed to a new approach and new medicines to cure this dangerous complaint. As a pronounced representative of conservative America, Reagon sees the essence of the problem in the tied hands of big capital. He wishes to free himself from the "New Deal" heritage, state intervention and other classical cures of state capitalism. However, there is nothing to indicate any greater chances for the classical capitalism, which in its time led to an even greater crisis and even a world war.

Reagan said nothing definite about foreign policy. That was certainly not accidental. The fact is that his election campaign statements on specific problems and especially about the orientation to accelerated and intensive arming failed to evoke a favorable reaction in the world. Reagan reminded "the potential adversaries" that peace is the loftiest thesis of the American people and that he is ready to negotiate and even to make sacrifices whenever peace is in jeopardy. That is not only sufficient, but also good for the "new beginning."

TANJUG VIEWS CZECHOSLOVAK ATTITUDE ON POLISH CRISIS

LD262006 Belgrade TANJUG Domestic Service in Serbo-Croatian 1337 GMT 26 Jan 81

["The Situation in Poland: The Severest Attacks--Report by DJ. Milosevic"--TANJUG headline]

[Text] Prague, 26 Jan (TANJUG)--The Czechoslovak public was today informed through very extensive articles in the press about the situation in Poland in a way which should lead one to the conclusion that the circumstances in that country are far from normal and that--as is being asserted--both internal and external enemies of socialism are stubbornly trying to undermine the foundations of Polish society. The recent events in Poland linked with the strikes are described as "anarchic and chaotic" and a way out of this situation--as stated in last night's television newsreel--"cannot be seen" for the time being.

The exclusive blame for such a situation is attributed here to the Solidarity trade unions, their leaders and "antisocialist forces" in the country which--as is being stressed in Prague--"in collusion with foreign imperialist and anticommunist circles" wish to undermine the foundation of Polish society. The press asserts at the same time that "crude interference by reactionary Western circles in Poland's internal affairs" is coming more and more to the fore.

Today's RUDE PRAVO makes such an assessment of the activities of internal and foreign enemies in an article entitled "The Fifth Column." It attacks with particular severity the Confederation for an Independent Poland and the Workers Social Self-Defense Committee (KOR) which the papers describe as "the fifth column." In using this description for the first time, the paper says that the activities of these organizations as well as those of many other elements lead to an entirely clear conclusion that what is at stake is the "carrying out of directives by those forces which side with the Polish counterrevolution." The paper adds that their aim is to make the situation in Poland one continually burdened by unrest, pressure, conflicts and strikes. In this connection RUDE PRAVO asserts that the "program principle" of the KOR is "the liquidation of the leading role of the PZPR in Poland," "The dismantling of the political pluralism" after the model of bourgeois states.

At the same time the article leaves not the slightest doubt about the cooperation of Solidarity leaders with these organizations. Lech Walesa is again singled out as a "destructive personality," and the paper says, quoting alleged Western sources, that his attitude has become even more radical since his meeting with the pope.

CZECHOSLOVAKIA'S KEMPNY PAYS OFFICIAL VISIT

Talks With Marinc

LD262236 Belgrade TANJUG in English 1820 GMT 26 Jan 81

[Text] Belgrade, 26 Jan (TANJUG)--Member of the League of Communists of Yugoslavia Central Committee Presidency Andrej Marinc today received member of the Presidium and Secretary of the Communist Party of Czechoslovakia Josef Kempny, who arrived in Yugoslavia today at the invitation of the LCY Central Committee Presidency. In the ensuing talk, they exchanged views on this development of cooperation between the League of Communists of Yugoslavia and the Communist Party of Czechoslovakia and between the two countries.

Marinc and Kempny also discussed the international economic and political situation, as well as some current developments in the workers' and other progressive movements in the world.

Meeting With Ubiparip

LD262238 Belgrade TANJUG in English 1911 GMT 26 Jan 81

[Text] Belgrade, 26 Jan (TANJUG)--Vice-President of the Yugoslav Federal Executive Council Gojko Ubiparip today received a delegation of the Czechoslovak Communist Party Central Committee headed by member of the Politbureau and Secretary of the Central Committee Jozef Kempny.

In the ensuing friendly talk, the two countries' social and economic development was discussed. Views were also exchanged on the development of bilateral cooperation and relations over the past period. Both sides assessed that economic, scientific and technical cooperation is marking particular success, and that realistic possibilities and mutual interest exist for its further comprehensive development and promotion.

SFRY-USSR PLANNED TRADE FIGURES RELEASED

LD262320 Belgrade TANJUG Domestic Service in Serbo-Croatian 1447 GMT 26 Jan 81

[Text] Belgrade, 26 Jan (TANJUG)--The value of the exchange of commodities and services between Yugoslavia and the USSR during the present 5-year period, according to the agreement between the planning services of both countries, will reach a sum in excess of $30 billion or twice as much as the sum during the preceding 5 years. If these forecasts come true, trade relations with the USSR will constitute one-fifth of overall Yugoslav trade. This information was given today by the section for promotion of economic cooperation with the USSR of the Yugoslav Chamber of Economy.

Speaking of the work to devise the agreement on economic cooperation between the two countries in the period between 1981 and 1985 Ante Zmijarevic, deputy director general of the Federal Institute of Social Planning, stressed that higher forms of economic relations were increasingly present in economic cooperation between the two countries. The best results have been attained in the field of machine building. Agreements have already been concluded on specialization and cooperation in production. The assessment is that very good opportunities exist for joint business by Yugoslav and Soviet (?economic) organizations in the markets of third countries.

The trade agreement is still to be signed which means that changes are possible, especially in the structure of commodity exchange which has not changed substantially in relation to the previous 5-year period.

The representatives of the organizations of associated labor who do business with partners in the USSR were also briefed on the organization and efficiency of our foreign trade network's work in the USSR. To be even more efficient, according to Radoje Kontic, member of the Federal Executive Council, the work of our trade missions must be even more specialized and reciprocal cooperation must be better. This will contribute to their efficiency and the necessary reduction in their present high work cost.

SFRY-VIETNAMESE COOPERATION PROTOCOL SIGNED

LD241750 Belgrade TANJUG in English 0926 GMT 24 Jan 81

[Text] Belgrade, 24 Jan (TANJUG)--The fourth session of the Yugoslav-Vietnamese Committee for Economic and Scientific-Technical Cooperation closed with the signing of a protocol here today.

The two sides agreed on measures for overcoming the standstill in the hitherto economic and scientific-technical cooperation between Yugoslavia and Vietnam and adopted a programme of bilateral scientific-technical cooperation.

MINIC RETURNS FROM ANGOLA VISIT; PORTUGAL STOP

LD242116 Belgrade TANJUG Domestic Service in Serbo-Croatian 1854 GMT 24 Jan 81

[Text] Belgrade, 24 Jan (TANJUG)--Milos Minic, member of the Presidium of the LCY Central Committee and president of the Federal Council for International Relations, today returned to Belgrade after a 3-day official visit to the People's Republic of Angola during which he held talks with the MPLA-Labor Party.

On his way home from Angola Milos Minic paid a brief visit to Lisbon where in addition to meeting with Portuguese President Ramalho Eanes he also held talks with Foreign Minister Andre Goncalves Pereira, Secretary General of the Portuguese Socialist Party Mario Soares and others.

SFRY-LIBYA HOLD ECONOMIC COOPERATION TALKS

LD262302 Belgrade TANJUG in English 1830 GMT 26 Jan 81

[Text] Belgrade, 26 Jan (TANJUG)--Economic, scientific and technical cooperation between Yugoslavia and Libya over the past two years has been promoted and many of its forms expanded. This assessment was made at a session of the mixed Yugoslav-Libyan Commission for Economic, Scientific and Technical Cooperation which opened in Belgrade today.

Yugoslav co-chairman of the commission Vuko Dragasevic pointed out that the establishment of mixed enterprises, joint research projects in the fields of oil, petrochemistry and nuclear energy and the training of Libyan personnel in Yugoslavia are yielding good results.

Libyan co-chairman of the commission Musa Amad abu Furaywah said that there were vast opportunities for expanding cooperation, particularly in the fields of agriculture and construction of ports, school and housing facilities, as well as the training of Libyan personnel in Yugoslavia.

VRHOVEC ADDRESSES SIBENIK FACTORY POLITICAL AKTIV

LD240012 Zagreb Domestic Service in Serbo-Croatian 1400 GMT 23 Jan 81

[Text] Federal Secretary for Foreign Affairs Josip Vrhovec, this morning visited the Boris Kidric Light Metals Factory in Sibenik. He acquainted himself with the operational and business sides of this largest collective in Sibenik. Josip Vrhovec then spoke to the factory's political aktiv on the international situation, on the position of our country in the world and on its relations with other states, especially neighbouring ones. He emphasized that our country firmly remains on Tito's road. This afternoon Vrhovec will speak to the Sibenik political aktiv on topical foreign political questions and on Yugoslavia's world position. After that he will hold talks with representatives of the Yugoslav children's festival in Sibenik.

DRAGOSAVAC COMMENTS DURING RIJEKA TOUR NOTED

LD270020 Zagreb Domestic Service in Serbo-Croatian 1800 GMT 26 Jan 81

[Text] In the course of his 2-day visit to the Rijeka region, Dusan Dragosavac, secretary of the LCY Central Committee Presidium, spoke tonight to the political aktiv of the Rijeka municipality on the current social and political situation in our country and abroad. Here is a report by Milorad Kardum:

The political and security situation in our country can be assessed as very good. This was stressed by Dr Dusan Dragosavac tonight in his speech to the municipal political aktiv. This is particularly significant if considered in the context of the very complex economic and tense political relations in the world. Our working people are aware of the difficulties and are making maximum efforts to overcome them. Priority must be given to the working people--self-managers and the basic actors in our system. We must take them into account even more and be less carried away by statistical and other indicators.

Discussing the international situation, Dr Dusan Dragosavac stressed the importance of consolidating the combat readiness of the Yugoslav People's Army and of the organizational side of the social self-protection, the strength of which is enhanced exclusively by the defense doctrine.

On the economic plane, the secretary of the LCY Central Committee Presidium stressed Tito's words that we should work more, step up productivity and save more. Oil imports will continue to present special difficulties. About 40 percent of our total exports last year were used to pay for them. If necessary equipment imports will be restricted even more and further economies made on noncommodity expenditure.

In addition, priority will be given to supplies for the population and to the necessary reproduction material. In domestic production the greatest attention will be paid to food production where good opportunities exist. Dusan Dragosavac also stressed the need for even greater involvement on the part of the communists in improving the delegate system.

Today Dr Dusan Dragosavac inspected the Tito Bridge--linking the mainland with Krk Island and the oil terminal and petrochemical complex under construction on Krk.

In his talks with the leaders of Rijeka municipality, he advocated the consolidation of the role of the basic organizations of the LCY and the consolidation of collective work and, through the socialist alliance, the application of the new method of work within the meaning of Kardelj's idea of pluralism of self-management interests.

Dr Dusan Dragosavac will end his tour of the Rijeka region tomorrow with a visit to Porec municipality.

VOJVODINA MEETING ON SELF-DEFENSE REPORTED

LD262322 Belgrade TANJUG Domestic Service in Serbo-Croatian 1803 GMT 26 Jan 81

[Text] Novi Sad, 26 Jan (TANJUG)--A consultative meeting was held today at the provincial headquarters of Territorial Defense on the training of officers, commands and units of Territorial Defense in the Socialist Autonomous Province of Vojvodina at which the work of the Territorial Defense in the entire province was praised.

The consultative meeting was opened by Maj Gen Milenko Radovanov, commander of the provincial headquarters of the Territorial Defense. Col Ivan Radanovic submitted the introductory report.

The meeting was attended by representatives of the Federal Secretariat for National Defense; the General Staff of the Yugoslav People's Army; the Belgrade Army District; by Milan Mali, member of the Presidium of the provincial conference of SAWP of Vojvodina, by Maj Gen Rudolf Jontovic, president of the provincial conference of the Reserve Officers' Federation of Vojvodina, and by Maj Gen Dimitri Popovic.

The meeting heard the results of the very lively activity in all commands and units of Territorial Defense in the Socialist Autonomous Province of Vojvodina. Particularly stressed were the successes achieved in implementing the plan of training and educating all officers and members of the units of the Territorial Defense--from the local community and municipality to the major formations of Territorial Defense.

It was stressed that very successful cooperation by commands and units of Territorial Defense with all aspects of all-people's defense and social self-protection had been achieved. The significance of joint training and strengthening of combat readiness of our socialist self-managing community was also pointed out.

The meeting adopted the program of main activities of Territorial Defense in the next 5 years, which is based on the rich experience gathered in the past 5 years of the development and strengthening of Territorial Defense in every environment.

BRIEFS

VOJVODINA OIL, GAS PRODUCTION--Novi Sad, 21 Jan (TANJUG)--Approximately one million 255 thousand tons of oil will be obtained from the oil fields of the Yugoslav Autonomous Province of Vojvodina this year, it is planned. This represents an increase of some 4.1 percent on 1980. Oil prospecting is to continue in Vojvodina this year. Some 128 thousand meters of drillings are to take place. Gas production in Vojvodina is this year to reach some 909 million cubic meters, which is 25 percent more than last year. [Text] [Belgrade TANJUG in English 1339 GMT 21 Jan 81 LD]